

Sale of paint to be applied to watercraft by painting contractor.

600.0640

Sacramento
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(ESA:REP)

E. H. Stetson

Ruling 30 - Repainting & Refinishing
Ruling 51.5 - Watercraft

In answer to your memo of April 14, it is our opinion that the sale of paint to be applied to watercraft is exempt under Section 6363 and Ruling 51.5 regardless of the fact that the paint is applied by contractors who, under Ruling 30, would be regarded as consumers of the paint.

The law provides that the sale of property becoming a component part of certain watercraft is exempt and it does not appear that we can read into the exemption any qualification that the exemption does not apply with respect to paint sold to contractors who will apply the paint to the watercraft. The fact that a painting contractor could not execute a so-called watercraft certificate does not deprive the transaction of its exempt status. While the certificate is adapted for use by the operator of watercraft, it could readily be modified for use by a painting contractor by inserting the words "In painting watercraft which will be used" after the word "engaged" in Line 1 of the certificate. In the third line of the third paragraph the word "watercraft" could be stricken out.

EHS:ph