

# Memorandum

715.0260

To: Out-of-State – District Administrator

Date: January 14, 1966

From: Tax Counsel (EHS) – Headquarters

Subject: [S]

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Your memos of September 8, 1965, and January 12, 1966, raise the question as to whether the sale of freight billing forms and “bursting and slitting” machines sold to common carriers are exempt under ruling 2205. You refer to the last paragraph of the auditor’s comments on attached 414C. If this refers to the handwritten comments which were attached to your memos, there is no information set forth therein other than the mention of “maintenance contracts on multiple billing machines, cutters and attachments sold by taxpayer.”

Without further information, it appears that the freight billing forms and “bursting and slitting” machines would constitute “office or shop equipment or supplies,” which under ruling 2205 do not qualify for either the common carrier or public utility local tax exemptions.

EHS:fb

**M e m o r a n d u m****715.0260****To** : Mr. Donald J. Hennessy**Date** : October 25, 1989**From** : John Abbott**Subject** : Annotations – Bradley-Burns and district tax exemptions  
for public utilities

In your August 3, 1989 memo to me, you write that Mr. Alan Widmeyer of the Ventura District office suggests deleting or modifying certain 715 series annotations because the public utilities exemptions from Bradley-Burns and district taxes have long since been repealed. You ask for my recommendations.

I agree with Mr. Widmeyer that there are a number of annotations which should be deleted or modified as a result of the repeal of the public utilities exemptions. I suggest we delete the following annotations in their entirety:

715.0020	(3/21/67)
715.0060	(9/27/65)
715.0100	(10/2/56)
715.0240	(9/2/66)
715.0280	(4/20/65)
715.0300	(6/16/66)
715.0320	(8/9/66)
715.0340	(4/1/58)
715.0380	(3/30/67)
715.0400	(12/8/64; 5/31/67)
715.0420	(8/3/64)
715.0440	(10/17/56)

In addition, there are five annotations which should be modified. I have set out below my suggested changes.

715.0040 Exclusive Use -- General. The requirement that the property shall be used "exclusively" in common carrier operations will be considered satisfied if the property is so used for at least six months after use commences. 2/17/59; [date].

715.0120 Leases. The exemption requirements are not met if the exempt property is leased to someone by the purchasing carrier. It is immaterial that the property may be used by the lessee in operations which fall within the scope of Regulation 1805. The exemption controlling factor is that the carrier did not use the property in its own operations as such and thus, did not meet the requirements of the regulation. 2/28/67; [date].

715.0140 Sales by Carriers and Vessels. Sales of personal property by common carriers and waterborne vessels are not exempt from local sales and use taxes. The taxability of such sales is unaffected by the exemptions applicable under certain conditions with respect to sales to such carriers and vessels. 4/3/56; [date].

715.0260 Forms -- Office Machines. Freight billing forms are "office or shop equipment or supplies," which under Regulation 1805 do not qualify for the common carrier local tax exemption. 1/14/66; [date].

715.0455 Cargo Containers. Cargo containers purchased and use for transportation of cargo on trucks or rail cars to the shipping company, then loaded onto waterborne vessels and carried to another state or foreign port are not exempt from tax under the waterborne vessel exemption operative January 1, 1974. Such cargo containers are not exclusively used in the operation of the vessel. 3/22/74; 7/10/74; [date].

JA:jb

*John Abbott*