



---

**STATE BOARD OF EQUALIZATION**

January 22, 1959

Mr. L--- B. H---  
Attorney at Law  
XXXX --- --- Boulevard  
--- --- X, California

Re: E--- S---  
S--- and L---  
Account SC- -- -XXXXX

Dear Mr. H---:

We have reviewed the information presented in support of the petition for redetermination filed on behalf of the above taxpayer. We think the information indicates that the tanks with a 500 barrel capacity and larger which are erected at the job site from prefabricated parts should be considered as improvements to realty. Thus, S--- and L--- are to be treated as the consumers of the material used and not as the retailers of such tanks. We shall direct our --- --- office to prepare a reaudit on this basis. When we have received the reaudit report we shall again communicate with you.

Very truly yours,

John H. Murray  
Associate Tax Counsel

JHM:rg

cc: --- --- - Auditing

Please prepare a reaudit in accordance with the above. This matter was discussed with Mr. Say and Mr. Stetson. They concur in the conclusion that tanks of 500 barrel and larger capacity which are erected at the job site should be considered as improvements to realty.