



---

**STATE BOARD OF EQUALIZATION**

February 3, 1966

Mr. E--- N. A---  
General Counsel  
N--- E--- T---  
XX C--- Circle  
--- ---, --- --- XXXXX

Dear Mr. A---:

Assistant Attorney General Ernest P. Goodman sent me a copy of your letter of January 21, 1966, and a copy of his answer of January 28, indicating that we would answer the question raised in the final paragraph of your letter

Our position regarding the application of use tax to educational television program tapes and films is as was set forth in a letter dated March 22, 1965, to Mr. W--- K. C--- by R. G. Hamlin, Chief Counsel. In this letter Mr. Hamlin stated as follows:

“The measure of the tax is the material cost of new film and tapes shipped to California television stations. It does not include the cost of property which became a part of film, tape or other property which was first shipped to stations in other states and first publicly shown on such stations. The measure of the tax is limited to the cost price of the tangible personal property purchased by NET, and does not include any of NET’s cost in processing or manufacturing the items purchased before being shipped to the stations.”

The settlement by way of stipulated judgment of the matter involved in our determination, notice of which was dated January 29, 1965, does not represent a change in our position as to the application of the tax, as set forth above. It appears, however, that the application of the tax as we have explained it is not inconsistent with what you have “assumed” will be the application of the tax “from now on.”

Very truly yours,

E. H. Stetson  
Tax Counsel

EHS:fb