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June 2, 1953

MASTER FILES

Office of Controller

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Attention: \_\_\_\_\_ y  
Assistant Controller

Gentlemen:

This is in reply to your letter of May 15 inquiring concerning the application of the sales tax to your sale of certain poles and other facilities to \_\_\_\_\_ Company, which claims that the transaction is exempt as an "occasional sale" under Section 6006.5 of the Revenue and Taxation Code.

In addition to Permit No. G-1337, our records indicate two additional permits held by \_\_\_\_\_ y. These are:

\_\_\_\_\_  
\_\_\_\_\_  
, \_\_\_\_\_  
for Men

But even disregarding sales made under these permits, it appears that sales made under G-1337 are sufficiently diversified to preclude any specific sale from being exempt as an "occasional sale". Section 6006.5 defines as an "occasional sale" a sale of property not held or used in an activity for which a seller's permit is required, "provided such sale is not one of a series of sales sufficient in number, scope and character to constitute an activity requiring the holding of a seller's permit."

Your letter mentions the sale of publications and the sale of materials to the Government under research contracts. Our last audit report, dated August 31, 1948, lists the following sales made by the University: Sales made by the \_\_\_\_\_ Athletic Department, the Commissary at \_\_\_\_\_ Mimeographing, Photostating, Directories, Photographs, Calendar of Events, sales of equipment.

In view of the diversified character of your sales, it is our opinion that your sale of certain poles and other facilities to Pacific Gas & Electric Company must be regarded as one of a series

of sales sufficient in number, scope and character to constitute an activity requiring the holding of a seller's permit, and thus not exempt as an occasional sale.

Yours very truly,

E. H. Stetson  
Tax Counsel

EHS:ja

cc: San Jose - Tax Administrator