

(d)
PLEASE RETURN TO
LEGAL FILES

MAY 1, 1959

Assets

Attention: [redacted]

Re: [redacted]

Gentlemen:

This concerns the petition for redetermination of sales tax on the sale by [redacted] of its [redacted] store to [redacted] both corporations are wholly-owned subsidiaries of the [redacted] [redacted], and there was no change in the ultimate ownership.

At the preliminary hearing in Los Angeles on March 5, we discussed the legal question of whether the transfer was of all the property held or used by the [redacted] Corporation in the course of an activity for which it was required to hold a seller's permit. If this condition was fulfilled, the sale would be an exempt occasional sale.

We have consistently been of the opinion that, to come within this exemption, the owner must transfer not only all the property in California used within the selling activity but all property wherever used in connection with the selling activity. We feel the Legislature did not intend diverse results when, for example, one corporation owning a store in Los Angeles and a store in San Francisco sold the Los Angeles store, and another corporation owning a store in Chicago and a store in Los Angeles and sold the Los Angeles store.

Accordingly, since the sale in question was the sale of only one of the [redacted] Corporation's twelve stores

J. [redacted]

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May 1, 1959

Re: [REDACTED]

(although the sale was of its only store in California), it is our opinion that it does not qualify as an exempt occasional sale. It will by my recommendation that the petition for redetermination be denied.

You will receive official notice of the Board's action in this matter.

Very truly yours,

Bill Holden
Associate Tax Counsel

WH:ob

cc: West Los Angeles - Administrator
Los Angeles - Administrator
New York (33)