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**STATE BOARD OF EQUALIZATION**

June 31, 1972

Mr. D--- K. K---  
K--- M--- S--- Co.  
XXXX --- Dr.  
---, California XXXXX

SR --- XX-XXXXXX

Dear Mr. K---:

This is to confirm the opinion which I gave you by telephone on July 28 regarding the application of tax to that part of your business dealing with calibration work.

Our legal staff has previously ruled as follows:

“You are advised that we have always regarded retail sales of patterns, templates, dies, and similar articles as subject to the tax, regardless of the professional status of the producer of such tangible personal property. Although the computations made by your client and the furnishing of a report thereof may be analogous to an accountant who performs services and summarizes his findings in a report, we are unable to concede that the same is true when your client makes computations for the purpose of furnishing a tape which is used as a pattern or template, or a gauge stick. Thus, the report furnishes only information, but the tape or gauge stick constitutes the very property required by your client’s customers. In the latter case it is our opinion that the transactions constitutes a sale of the property rather than the furnishing of information.

“Section 6012 of the Sales and Use Tax Law defines taxable gross receipts to mean the total amount of the sales price of the retail sales of retailers without any other expense. Accordingly, it appears to us that your client is subject to the tax measured by his full charge for tapes and gauge sticks, without deduction on account of his labor in making the calculations required in connection therewith.”

Accordingly, when your contract merely calls for the delivery of calibration information, including the pertinent calibration chart, such charges are services and not subject to sales tax. On the other hand, if the contract calls for delivery of a template or gauge stick, the total charge is

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subject to tax without any deduction on account of the labor in making the calculation required in connection therewith.

If you need any additional information, please call me.

Very truly yours,

Robert Nunes  
Principal Tax Auditor

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