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**STATE BOARD OF EQUALIZATION**

May 25, 1970

Mr. J--- O--- W---  
XXXX --- Street  
--- --- X, California

Re: Mr. A--- S---

Dear Mr. W---:

This is in answer to your letters of November 13 and December 29 in which you requested a reconsideration of our letter of November 2 with respect to the application of the state sales tax to the activities of the above-named individual.

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 transaction constitutes a sale of the property rather than the furnishing of information.

Section 6012 of the Sales and Use Tax Law defines gross receipts to mean the total amount of the sales price of the retail sale of retailers without any deduction on account of the cost of materials used, labor or service cost, or 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 calculation required in connection therewith.

As we stated in our previous letter it is our opinion that the tax does not apply to any part of Mr. S---'s charges where he makes computations of the quantity of liquid in a tank at various levels if he merely furnishes the information to his client, although the information may be conveyed by a written report.

Very truly yours,

R. G. Hamlin  
Associate Tax Counsel

RGH:HB

cc: Burnett Sheehan