

**STATE BOARD OF EQUALIZATION**

November 16, 1964

A--- - S--- O--- Company, Inc.  
XXX East --- Street  
--- ---, -- XXXXX

G. A. Legal -- - - - XXX

Gentlemen:

This is in reply to your letter of October 27 in which you inquire about the application of the Sales and Use Tax Law to several aspects of your custom-built organ business.

Engineering drawings required by part of a contract for the installation of a custom-built pipe organ are considered to be services which are a part of the sale of tangible personal property. Accordingly, the receipts from the drawings are includible in taxable gross receipts whether or not they are billed to the church before the organ is produced.

Whether an organ is considered machinery and equipment or "fixtures" under ruling 11 (copy enclosed), installation costs are not included in gross receipts. We note, however, that there may be labor cost incurred at the site which is attributable to fabrication of the organ rather than to its installation.

Where costs of delivery by nonretailer facilities are not included in the price of the installed organ and the church is billed separately for any trucking charges, those trucking charges are exempt and not included in taxable gross receipts. (See ruling 58, copy enclosed.)

If you have any further questions, please do not hesitate to write to us again.

Very truly yours,

E. H. Stetson  
Tax Counsel

By \_\_\_\_\_  
Phillip R. Dougherty

PRD:spg

Enc.

cc: Out-of-State – District Administrator – New York