

February 6, 1951

Re:

Gentlemen:

This is in reply to your letter of November 3, 1950, addressed to Mr. Harry L. Say, Sales Tax Administrator, regarding the applicability of section 6368 of the California Sales and Use Tax Law with respect to sales of refrigerant gas to operators of watercraft for the purpose of replacing refrigerants in systems affixed to the structure of the watercraft.

We are of the opinion that refrigerant gas thus used may be regarded as becoming a component part of the watercraft so that the sale thereof is exempt from tax under section 6368 if the other conditions necessary for exemption are present. These are, as you know, that the watercraft shall be used in the transportation of persons or property for hire in interstate or foreign commerce or in commercial deep sea fishing operations outside the territorial waters of this state.

Very truly yours,

E. H. Stetson  
Tax Counsel

EHS:ph

cc: M