



STATE BOARD OF EQUALIZATION

March 7, 1958

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Attention: Mr. [B]
 Controller

Gentlemen:

You are purchasing steel concrete forms from a San Francisco firm and inquire concerning the application of 1% State-administered local use tax based on your use of the forms in Alameda County or other conforming counties.

You state that the forms will be used initially in San Francisco for five months and thereafter probably will be used in Alameda County.

In order for use tax to apply based on your subsequent use of the forms in a conforming county, the property would have had to have been purchased for use in one or more conforming counties. In applying the use tax to property where first use is outside the taxing jurisdiction, we have considered the property to be purchased for use in the taxing jurisdiction only if it is principally used there.

As a practical matter it is impossible to follow the property over its useful life to determine where it is principally used because with long-lived property it might be many years before the application of the tax is spotted. Therefore, the policy of this Board is to determine principal use on the basis of the first six months of actual use.

In this case the principal use during the first six months of use will be in San Francisco and, therefore, the purchase is not subject to a State-administered 1% use tax.

Very truly yours,

Bill Holden
Tax Counsel

BH:rg
cc: Oakland – Administrator