

Memorandum

210.0180

To: Los Angeles – Auditing (CHS)

Sacramento
May 13, 1959

From: Headquarters – Sales Tax Counsel

Subject: L--- --- C---
XXXX --- Boulevard
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now: -- XX-XXXXXX
Account -- - XXXXXX

With reference to your memorandum of April 7, we have considered the matter and it is our opinion that the furnishing of jewelry to the motion picture studios for the use of actresses while making motion pictures may be considered as displaying of the merchandise and not such a use as to require payment of tax by the jeweler upon the cost of the jewelry. As the jewelry is not imitation jewelry, but is real jewelry of the expensive variety, as for example a diamond necklace, there would, of course, be little or no depreciation in the value of the jewelry. Furthermore, as you point out, the jeweler is seeking to sell his merchandise by allowing actresses to wear the jewelry during the making of pictures. This would seem to be a form of demonstration.

E. H. Stetson

EHS:rg