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**STATE BOARD OF EQUALIZATION**

March 3, 1953

S---, T---, M--- & D---  
A--- I. D--- Building  
--- XX, Florida

Your letter of January 21

Account No. -- - XXXXX  
F--- E--- &  
E--- Corp.

Attention: Mr. B---

Gentlemen:

You ask for advice with respect to the application of California sales tax to this situation: Your client, F--- E--- & E--- Corp., maintains a manufacturing plant in Florida and a sales office in California. The California sales office handles all sales of your client's products on the West Coast. Practically all of the items sold through the California office are manufactured and fabricated in Florida but in some cases parts are fabricated at the California office. Shipment of goods sold through the California office are often made directly from the Florida plant to the consumer and the point of delivery may or may not be within California. The California office on occasion collects the sales price of goods sold through them, but in other instances payments are made directly to the Florida office. Your problem, from the facts given, appears to be governed by Ruling 55 (copy enclosed).

It occurs to us that there are two situations with respect to which you may wish an interpretation of the application of the California tax under that ruling. These are:

1. Sales in which delivery is made from Florida.

In such sales, when delivery is made to the consumer at a point outside of California, the California sales tax would not apply. Where delivery is made directly to the consumer in this State, sales tax would not apply if the conditions of Ruling 55, Section A-1-(a) are met. If the sales tax does not apply, then under Ruling 55, Section B, the California use tax would apply and your client, since it maintains a place of business in the State of California, would be required to collect that tax and pay it over to this Board. See Ruling 74 (copy enclosed).

2. Sales in which delivery is made to points outside the State of California from the California office.

If the conditions of Ruling 55, Section A-1-(c) are met, then the California sales tax does not apply. Where delivery is made from your California office to points inside California, California sales tax applies.

S---, T---, M--- & D---  
Re: F--- E--- & E--- Corp.

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325.0020

In our discussion we have assumed that none of the sales in California are for resale or otherwise exempt from tax. Also our discussion of Ruling 55 is of necessity somewhat general, but if you have any question with respect to a particular transaction we will be happy to answer it if you will give us the full details involved in that transaction. We understand that your client holds seller's permits for its California offices. If its local representatives so desire they may obtain information as to the method of reporting sales, etc. from our local office at 3220 West 85<sup>th</sup> Street, Inglewood, California, telephone Pleasant 1-5154

Yours very truly,

E. H. Stetson  
Tax Counsel

JHM:ja

cc: Inglewood – Auditing

cc: Mr. R--- W---  
XXXX --- Avenue  
--- ---, California