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(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)  
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February 9, 1993

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*Executive Director*

Mr. C--- L. N---, C.P.A.  
Attorney and Counselor at Law  
XXXX --- --- East, --- Floor  
--- ---, CA XXXXX

Dear Mr. N---:

This is in response to your letter of February 1, 1993.

A retailer who is a lessor of tangible personal property as to which neither sales tax reimbursement nor use tax has been paid is making a continuing sale of that property and must collect use tax from the lessee, notwithstanding the fact that the lessor may have entered into but one lease contract.

Very truly yours,

Gary J. Jugum  
Assistant Chief Counsel

GJJ:sr