



STATE BOARD OF EQUALIZATION

Dec. 27, 1967

To: West Los Angeles (BS)
From: Tax Counsel (GAT)

This is in regard to your request for our opinion concerning the application of tax with respect to a videotape produced by "K".

It is our understanding that one of "K"'s customers had a travel film which he wished to exhibit on television. In order to render the film suitable for television, he entered into contract with "K", pursuant to which "K" furnished its studio, props, electronic equipment, operating personnel and video tape for use by the customer in making a videotape introduction and close for the travel film. The customer hired his own actors, director, and furnished his own script.

After the introduction and close were videotaped, the customer viewed them and gave "K" directions for editing them. "K" then assembled the edited opening, the film and close and made a single continuous, program-length videotape which it transferred to the customer.

On the basis of the foregoing, it is our opinion that the customer was a producer and the finished videotape was a "production", and tax applies to the charges made by "K" in accordance with the provisions of Ruling 19 and BTGB 61-4.

GAT: smk [lb]