

M e m o r a n d u m**280.1160**

To: Stockton – Auditing (LFG)

Sacramento
August 13, 1957

From: Headquarters – Sales Tax Counsel (JJD)

Subject: The P--- P--- Company
P.O. Box XXX
---Account K-X-XXXXXX
Yours of July 23

As we understand the facts, the P--- P--- Co., Inc., distributes chances on a free automobile to its customers as a means of furthering the sales of C--- O--- Co. P---. The automobiles which are given away are purchased by P--- P--- on a tax-paid basis. Following the signing over of the pink slip to the holder of the lucky ticket, C--- reimbursed P--- P--- for the cost of the automobile.

It is our opinion that P--- P--- Co., Inc. makes a taxable use of the automobiles in furthering their sales of petroleum products. We are of the further opinion that the transfer of the automobiles to the holder of the winning ticket in return for reimbursement paid by C--- O--- Co. would result in a taxable sale being made by P--- P--- to C--- O--- Co. For sales tax purposes it is of no consequence that a seller receives consideration from a person other than the person to whom he transfers the tangible personal property

James J. Delaney

JJD:cl