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**STATE BOARD OF EQUALIZATION**

May 22, 1967

Dear Mr. X:

This is in reply to your letter of May 11 enclosing a copy of a letter from "M" explaining that this Board took the position by letter dated August 12, 1962 that delivery charges in connection with the transportation of leased property were required to be included in the measure of sales and use taxes when the lessor elected rental charges as the tax measure.

This was true until the changes in the law relating to personal property leases, effective August 1, 1965. From that date on, leases, with certain exceptions, are "continuing sales" as provided in Section 6006.1, and are within the definition of "sale" set forth in Section 6006. Accordingly, the application of the tax with respect to separately stated transportation charges for rented property is the same as in the case of ordinary sales. This is explained in Ruling 58, copy enclosed for your convenient reference.

Very truly yours,

E. H. Stetson  
Tax Counsel

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