



STATE BOARD OF EQUALIZATION

July 12, 1966

Gentlemen:

This is in reply to your letter of June 30, 1966, written following our telephone conversation of June 29. You explain that you acted as a subcontractor under a prime contractor and that you furnished a Demountable Noise Suppressor System for jet aircraft. You point out that the equipment being demountable can be readily removed as a unit, can be moved from air base to air base, and is manufactured in a size to fit into military cargo plans.

We agree with your understanding that this equipment is "machinery and equipment," and that term is used in sales and use tax ruling 12, copy enclosed. Your sale of the equipment to _____ is, accordingly, a sale for resale to the United States Government, which owns the equipment. You may accept a resale certificate from _____ for this equipment even though that firm does not hold a seller's permit, in view of the fact that the equipment is, in fact, resold by _____ to the Bureau of Yards and Docks.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:fb
Enclosure

cc: Our of state – District Administrator
Los Angeles District – District Administrator
San Diego – District Administrator:

Technically, _____ should have a permit as they are selling machinery and equipment to the Bureau of Yards and Docks.