

PLEASE RETURN TO  
LEGAL FILES

*Automobile -  
Dealers Transactions*

SEP 1 1953

AUGUST 31, 1953

MASTER FILES

Gentlemen:

In answer to your letter of August 10 we advise that neither sales tax nor use tax applies with respect to the sale of an automobile to a purchaser who takes delivery at the factory outside this State and who does not use the car in this State.

As the sale takes place outside the State, the sales tax is inapplicable, and as the cars are not bought for use in this State, the use tax is inapplicable. It is immaterial that the customer may secure California plates. The fact of California registration, however, makes it urgent that you retain sufficient records to show, in case of an audit, that the car was in fact delivered outside the State and was bought for use outside the State. If the fact of use outside the State is not clearly apparent from the normal records of the transaction, it would be advisable to secure an affidavit from the purchaser setting forth the facts.

Very truly yours,

E. H. Stetson  
Tax Counsel

EHS:ph

cc: San Jose - Compliance

*initialed*