

**M e m o r a n d u m****325.1020**

To: \_\_\_\_\_ Date: August 17, 1950

From: E. H. Stetson

Subject:

When Mr. --- was here yesterday, primarily in connection with another matter, he mentioned that he had discussed with you the question of the proper time for reporting sales tax by printers who sell printing to --- Company in large quantities pursuant to purchase orders which specify that shipping instructions will be given at a later date.

The printer holds the material until receipt of shipping instructions and then ships the material, some of which goes to points outside the State. It appears that some of the printers have been told that they should return the tax as of the quarter in which the job is completed or billing rendered, and take a deduction subsequently as to that material shipped outside the State.

Mr. --- indicated that the Company preferred a procedure by which the printers would not bill the Company for any tax reimbursement except as to that property shipped to points in this State, stating that it is the position of --- Company that there is no passage of title of the merchandise until shipment is made. If this is the case, which appears reasonable, the printers would not be obligated to return any tax until the period in which shipment is made, and the tax would apply only to the sales of that property shipped to points in the State. Mr. --- stated that in his discussion with you you did not indicate that any serious accounting difficulties would result if this procedure were followed, and I see no objection to it as long as the purchase order specifies that shipment is to be made in accordance with instructions to follow, and that shipment is so made. As to goods so shipped to a point outside this State, it is our opinion that the sales tax is not applicable.

EHS : ph

cc: