



STATE BOARD OF EQUALIZATION

June 19, 1969

Dear

This is with reference to the petition for redetermination filed on behalf of ---, and the hearing held on the matter last April 23, 1969, in ---.

The question of whether your firm is rendering a service in providing soft water to customers or is renting water softener units is a close one, and for that reason was the subject for consideration by representatives from the Attorney General's office early this month.

We have been advised that the transactions wherein your firm uses water softener units which you manufactured should be treated as rentals of those units. Accordingly, our recommendation to the board will be to deny the petition for redetermination.

If you wish, you may have a hearing before the board, and if this is desired please notify us in writing within three weeks.

Very truly yours,

Robert H. Anderson
Tax Counsel

RHA/vs

Bc: San Bernardino – District Administrator
Santa Ana – Subdistrict Administrator

Attached is hearing report dated May 8, 1969 (revised 6/16/69) which has been approved. The hearing on this matter was held in Santa Ana on 4/23/69.

Note: this question is no longer close. Culligan (1976) 17 C 3d 86