



STATE BOARD OF EQUALIZATION

February 5, 1954

Your letter of December 9, 1953

One of your clients is an industrial laundry which provides shop towels to customers and whose income is derived from the cleaning of the towels. The laundry retains ownership of the towels. It has now purchased towels from an out-of-state dealer and you inquire if the purchase is subject to the use tax.

As indicated in Ruling 1 (copy enclosed), your client is the consumer of towels. The use tax applies to the use in this State of tangible personal property which has been purchased from a retailer for use in this State. Since your client is using the towels and they were purchased from a dealer, the use tax applies.

Yours very truly,

Bill Holden
Assistant Counsel

BH: ja

cc: Glendale - Auditing