



STATE BOARD OF EQUALIZATION

July 20, 1967

Gentlemen:

Your petition for re-determination dated May 24, 1967 has been referred to this office for reply.

It is our understanding that "L" is a publisher of a shipping rate and carriage guide called "The Shippers' Cyclopedia". This guide is used by the freight trucking industry throughout the United States and California. These guides are not sold but are rented on an annual basis to various subscribers. The guide is kept current by "L" through the issuance of a loose leaf freight-rate publication. Although in the past it has been the experience of "L" that the replacement sheets are issued at least every three months there is no prearranged timetable for the replacement publication. Its issuance is entirely dependent upon there being a freight rate change. The guide is retained by the lessee until the contract is cancelled at which time it is returned to "L". However, if the guide is not returned within 30 days after the term of the contract, the contract is automatically renewed for another year.

It is our understanding that "L" contends that the guides rented to the California subscribers are exempt publications under Ruling 50.

We have carefully reviewed your petition and the accompanying copies of the publication in question, and we are of the opinion that the petition should be denied.

In the past, we have taken the position that publications issued from time to time as changes in models dictate do not qualify for the periodical's exemption inasmuch as such publications are not "regularly" issued. Section 6352 of the Sales and Use Tax Law requires as a condition that the publication be "regularly" issued. Inasmuch as your publications are issued at irregular intervals; i.e., their issuances are entirely dependent upon their being a change in the freight rates, we are recommending to the Board that your petition be denied. Should you desire a hearing before the Board, please let us know before August 10, 1967.

Very truly yours,

Glenn L. Rigby
Assistant Counsel

GLR:ph [lb]