



STATE BOARD OF EQUALIZATION

March 15, 1966

W--- & R---
Public Accountants
XXXX --- Tower
---, CA XXXXX

Attention: Mr. G--- J. W---

Gentlemen:

This is in reply to your letter of February 22, 1966, regarding the application of sales tax with respect to certain charges for labor in the following circumstances:

A consumer orders knocked-down steel shelving from a retailer. The retailer orders the shelving from the factory for direct shipment to the consumer. The shelving is delivered to the consumer. After arrival, the retailer, for a separately stated labor charge, bolts together and assembles the shelving at the purchaser's premises.

In response to your inquiry, it is our opinion that the bolting and assembling of the shelving constitutes steps in a series of operations resulting in the production of tangible personal property. Accordingly, the sales tax is applicable with respect to the retailer's charges therefore.

Very truly yours,

George A. Trigueros
Associate Tax Counsel

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cc: --- – District Administrator