

Memorandum

460.0020

To: Mr. J. S. Knight (JHMcC)

Sacramento, California
August 8, 1952

From: E. H. Stetson

Subject: E--- and E---
Certified Public Accountants
Suite XXX, --- National Building
--- --- X, California

The letter from E--- and E---, copy of our reply attached, brought to light your letter of July 17, 1951, to the same firm. We had intended to mention this earlier but the copy of your letter became filed before we did so.

You state on page 3 "In accordance with these sections the retailer is compelled to make an attempt to collect reimbursement for the sales tax from the vendees on all retail sales." This is not an entirely accurate statement of the law as interpreted by the courts, notwithstanding the language of Section 6052.

The court holdings may be summarized by stating that the section indicates an intention that the source of the funds for payment of the tax is the purchaser, but that the seller and purchaser are free to contract in accordance with their wishes as to the total amount of the selling price. See particularly Roth Drugs, Inc. v. Johnson, 13 Cal. App. 2d. 720 and De Aryan v. Akers, 12 Cal 2d 781, cert. den. 308 U. S. 581.

EHS:ja