

# Memorandum

**585.0240**

Sacramento

To: Fresno – District Administrator

November 3, 1965

From: Tax Counsel (GAT) - Headquarters

Subject: Annotation in the Current Legal Digest for the period September 16, 1965 to September 22, 1965; topic entitled "Automobiles - - Use Tax."

This is in reply to your letter of September 30 regarding the application of tax with respect to sales of boat trailers to permittees for resale.

The annotation in the Current Legal Digest of September 16-22, 1965, which states that a person not holding a dealer's license may not acquire a vehicle ex tax claiming it is for resale at a profit in the course of business, specifically is meant to apply to a person not holding an automobile dealer's license who purchases and sells an automobile

In our opinion, however, a seller of boats and trailers who has a valid seller's permit, may purchase the trailers ex tax for resale, even though the trailers are vehicles of a type subject to registration and the seller is not a dealer licensed by the Department of Motor Vehicles.

GAT:dse