



STATE BOARD OF EQUALIZATION

October 9, 1962

Gentlemen:

We are in receipt of your letter of October 1 concerning the application of sales tax to your receipts for placing exposed, developed microfilm on key-punched, aperture IBM cards, both the film and the cards having been supplied you by the County of Los Angeles.

The operation appears similar to the mounting of transparencies of color film into the frames in order to produce a complete slide. This has been held to be a producing, fabricating and processing under Section 6006(b) of the Sales and Use Tax Law, quoted and explained in the enclosed copy of ruling 15. The operation which you describe appears to be substantially similar and to have the same objective, i.e., to produce a usable, mounted film.

We believe that this operation is also a sale under Section 6006(b), receipts from which are, accordingly, taxable. You will note from ruling 15 that tax does not apply to charges for repair or reconditioning labor, but the labor involved in the present case appears not to be repair or reconditioning labor but to be the creation for the first time of the desired article, i.e., the card with the film mounted thereon.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:fb
Enclosures

cc: Sacramento – District Administrator