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**STATE BOARD OF EQUALIZATION**

January 28, 1966

P--- Bookkeeping  
& Tax Service  
P. O. Box XXX  
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Attention: Mr. E--- M. C---, Jr.

Gentlemen:

This is in reply to your letter of January 24, 1966, in which you ask whether the placement of stamps for the purpose of philately in the possession and control of a stamp and coin shop by the owner of said stamps, with the expectation that the shop owner would sell them to the highest bidder, will subject said shop owner to sales and use tax liability.

Even though a consignee or factor does not have title to the property, the fact that he has possession, beneficial control and authority to vest title in another has been considered sufficient for the Board of Equalization to regard such person as being engaged in the business of selling tangible personal property.

Since the above are persons having possession of tangible personal property for the purpose of sale, sales and use tax ruling 39, copy enclosed, requires their being regarded as the retailers of the property to consumers. Accordingly, tax applies to the total gross receipts from such sales. Therefore, the store owner is required to report and pay the tax with respect to his sale of stamps consigned to him for sale by the owner of such stamps. The fact that the store owner here is not responsible for the merchandise left for bid would not prevent him from falling within the above classification.

The sale of stamps by persons other than the U.S. Government to collectors for purposes other than postage are taxable under the California Sales and Use Tax Law. Accordingly, a person engaged in the business as a philatelist is required to hold a seller's permit issued by this board.

Our district office in your area will be glad to assist you in filing an application for a seller's permit for your client and to answer any further questions you may have. The office nearest you is at 1350 Front Street, P. O. Box 1789, San Diego, California 92112, telephone 232 4361. Also feel free to write this office again for any further questions relating to this matter.

Very truly yours,

E. H. Stetson  
Tax Counsel

By \_\_\_\_\_  
Elliott D. McCarty

EDM:bn  
Enc.

cc: San Diego – District Administrator