



**200.0120**

STATE OF CALIFORNIA

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**STATE BOARD OF EQUALIZATION**

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June 26, 1953

Your letter of March 24  
Account No. REDACTED TEXT

REDACTED TEXT

Attention:      REDACTED TEXT  
                    Manager, Credit & Traffic

Gentlemen:

You state that you sold an incubator to a California customer on the installment payment plan. He was unable to keep up his payments and is letting the incubator go to another customer in California who will make the balance of the payments.

Since the full sales price has not been credited or refunded to the original purchaser, no deduction is allowable based on his inability to make full payment. See Sales and Use Tax Rulings 61 and 64 (copies enclosed).

The taking over of the contract by the second customer is regarded as a sale to that customer. The problem presented, however, is whether that sale was made by you or by the original purchaser. If the sale was made by you, it is subject to the tax. If the sale was made by the original purchaser, it may or may not be subject to the tax, but you would be under no liability as a result thereof.

Ordinarily, a sale is made by the person who locates the purchaser and negotiates with him to arrive at the terms of the sale. If you wish to furnish us with complete details, we shall furnish you with a definite ruling.

Yours very truly,

Bill Holden  
Junior Counsel

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