



STATE BOARD OF EQUALIZATION

July 26, 1965

Gentlemen:

This is in reply to your recent letter concerning the sales tax with respect to your rentals of cameras and projectors on a daily and weekly basis. You state that tax has been paid on the new equipment and that other equipment being rented is received as a trade in.

With respect to the equipment purchased by you with tax paid at the time of purchase, you are not required to pay tax on rental receipts. With respect to equipment acquired by you by way of trade-in on which tax would not be paid, you will be required to collect and pay tax on the rentals received from the rental of such equipment while it is in California.

This is effective August 1, 1965 and results from passage of legislation which is briefly explained in the enclosed special report, and which will be covered in greater detail in regulations which will be available shortly after August 1.

Very truly yours,

E. H. Stetson
Tax Counsel

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