



**STATE BOARD OF EQUALIZATION**

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June 22, 1993

BURTON W. OLIVER  
*Executive Director*

Mr. D--- P. L---  
F--- L--- W---  
XXXXX --- Way, #X  
--- ---, CA XXXXX

Re: SR -- XX-XXXXXX

Dear Mr. L---:

This is in response to you transmittal to the Board dated May 6, 1993 in which you inquire about the application of tax to refacing and refurbishing of existing cabinets.

Revenue and Taxation Code section 6051 imposes a sales tax on all retailers measured by their gross receipts from retail sales of tangible personal property which occur in California. Revenue and Taxation Code section 6201 imposes an excise tax, commonly referred to as the use tax, on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer for storage, use, or other consumption in this state. The use tax complements the sales tax and is most frequently imposed upon in-state leases, out-of-state purchases of property for use in California, and use of property purchased with a resale certificate.

We assume that the cabinets you reface and refurbish are affixed to real property and are regarded as part of the real property. Regulation 1524(b)(3) provides that tax does not apply to charges for painting or finishing real property. Thus, if our assumption is correct, your charges to your customer for refacing and refurbishing of the cabinets are not subject to tax.

You are, however, the consumer of the materials which you use to reface and refurbish the cabinets. This means that when you purchase such materials (e.g., paint, varnish, door knobs etc.), you should not issue a resale certificate to your vendor. If you have issued resale certificates, you must file a return and pay use tax measured by the sales price of such items (i.e., the price you paid to your vendor).

If such materials are purchased from out-of-state,<sup>1/</sup> use tax applies to your use of such materials. You must pay use tax to your vendor when purchasing the materials if the vendor has a California seller's permit or is registered with the Board. Otherwise, you must file a return and pay the use tax directly to the state.

This advice applies only to your refacing and refurbishing work and does not necessarily apply to your charges for cabinets which you manufacture and install. It also only applies if the cabinets are affixed to and part of the realty.

If you have further questions regarding Sales and Use Tax Law, please do not hesitate to write again.

Sincerely,

Elizabeth Abreu  
Tax Counsel

EA:cl

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<sup>1/</sup>Materials are purchased out-of-state if the vendor ships the materials from an out-of-state point to your business.