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**STATE BOARD OF EQUALIZATION**

April 2, 1970

Gentlemen:

Your letter of March 25 addressed to Mr. John H. Murray of this office has been referred to the undersigned for reply. You inquire as to the application of the sales tax to the newsletter published by the west coast office of "S".

We understand that "S" is a nonprofit agency receiving its financial support from United Fund/Crusade campaigns in communities throughout California and the nation. The "S" is registered as CT-4736 with the Registry of Charitable Trusts of the Office of the Attorney General.

NEWSLETTER is published "four or five times a year" on a no-charge basis. NEWSLETTER is mailed to a regular set mailing list of approximately 2,000 names.

Section 6362(a) of the Revenue and Taxation Code exempts from the tax the gross receipts from the sale of "tangible personal property which becomes an ingredient or component part of any ... periodical regularly issued at average intervals not exceeding three months and any such ... periodical."

"Periodical" is defined in our Ruling 50, Newspapers and Periodicals (copy enclosed), to mean "those publications which appear at stated intervals, each issue of which contains news or information of general interest to the public, or to some particular organization or group of persons." [Emphasis added.] Each issue must bear a relationship to prior or subsequent issues in respect to continuity of literary character or similarity of subject matter, and there must be some connection between the different issues of the series in the nature of the article appearing in them.

While it is our opinion, based upon a review of the issue dated January 1970, that your newsletter qualifies as a "periodical" at least in regard to the subject matter which appears in it, it seems that the newsletter is not published "at stated intervals", as required by the law. Rather, the newsletter is published "four or five times a year". Based, then, upon the information before us we can only conclude that the "S" newsletter does not qualify for the exemption provided for by Section 6362(a) and Ruling 50.

Very truly yours,

Gary J. Jugum  
Assistant Tax Counsel

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