



STATE BOARD OF EQUALIZATION

May 8, 1970

Gentlemen:

This is in reply to your letter of April 20, 1970 in which you inquire as to our opinion as to the application of the Sales and Use Tax Law to your activities in preparing "The Simian", a monthly publication, for your client the "X" Society.

We understand that you handle the publication, printing and mailing of "The Simian". The publication is primarily sent to members of the Society. The publication includes some advertising; however, it consists primarily of items of interest related to Simians and Simian lovers.

The Society has taken the position that the California tax does not apply to the charges made by you for preparing the publication. You have taken the position that tax applies on the complete printing bill since the Society has members in California to whom you mail the publication.

In our opinion the Society is correct and tax does not apply in this instance.

As Section 6362(a) of the Revenue and Taxation Code and our Ruling 50, "Newspapers and Periodicals", copy enclosed, provide, tax does not apply to 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 periodical regularly issued at average intervals not exceeding three months and any such periodical.

The term "periodical" is limited to 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. 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 articles appearing in them.

In our opinion "The Simian" qualifies as a "periodical" under the definition as set forth above. Since, it appears, the publication is issued monthly, the tests as to regularity and

frequency as set forth in the statute and regulation are met. Accordingly, as stated above, the tax does not apply.

You should request from your client a certificate of the type set forth in paragraph (c) of Ruling 50 in order to support a deduction from your gross receipts with respect to your sales to the Society of the publication in question.

Very truly yours,

Gary J. Jugum
Assistant Tax Counsel

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