

**M e m o r a n d u m****435.0720**

To: San Mateo – Auditing (RSG)

Date: October 27, 1977

From: Tax Counsel (GJJ) – Headquarters

Subject: Drilling Holes in Bowling Balls

This is in response to your memorandum of October 20, 1977. You have raised a question concerning the applicability of tax to charges made for drilling holes in bowling balls.

In the situation in question a customer may purchase a bowling ball from a retailer such as X------. The ball sells for \$40 and includes drilling holes to fit the customer's hand. The customer may feel that X-----'s hole drilling is poor so the customer takes delivery of the ball without holes and then takes the undrilled ball to a "quality" driller. The quality driller drills holes in the ball and charges the customer \$10.

We are of the opinion that the charge made for drilling holes in a new bowling ball constitutes taxable fabrication labor under the Sales and Use Tax Law. Drilling holes in the ball constitutes a step in the manufacturing process of the finished article.

j:alicetilton