

M e m o r a n d u m**435.0780**

To: Mr. X----- (RGS)

Date: December 17, 1951

From: E. H. Stetson (WWM)

Subject: X-----

This is in answer to your memorandum of October 31 enclosing the inquiry of Auditor B. Lazarevich.

Before reaching a final opinion with respect to the application of the tax to the engraving of the bronze panel we would appreciate it if the facts relating to the transaction were outlined in more detail. Is the "niche" in any sense of the word regarded as tangible personal property? Is the purchaser of the "niche" regarded at the same time as the purchaser of the panel? Who pays the engraver for the work? What are the conflicting views in question?

With respect to the inquiry concerning the second engraving of a double urn, if the double urn is so constructed as to constitute one piece of tangible personal property that is used a considerable time before the second engraving, it is our opinion that the tax should not apply to the second engraving. It has been the policy of this Board, generally speaking, to consider the tax inapplicable to the engraving of used merchandise. See, for example, under Fabrication in the July--August, 1951, Index and Digest supplement the application of the tax to engravings on a trophy.

WWM:ja