

**STATE BOARD OF EQUALIZATION**

(916) 445-2641

September 16, 1975

Mr. I--- M. H---
P--- D--- S---
XXXX "----" ---, Suite X
---, CA XXXXX

Dear Mr. H---:

SR -- XX XXXXXXX

This is in response to your letter of August 18, 1975. You have sought our opinion as to whether a certain portion of your business is or is not subject to the sales tax. The portion in question consists of hand lettering names and dates on documents provided to you by your customers. These documents are generally certificates or awards such as wedding or birth certificates, certificates awarded for achievement, etc. They are similar in nature to trophies awarded, and the work on them similar to engraver's handwork in inscribing the names and dates thereon.

You state that a ruling received in 1964 by a firm by which you were then employed excluded tax on these items. Recently you have been advised by our district office that work of this type is taxable.

We are of the opinion that tax applies to charges for hand lettering. Our Regulation 1540, "Advertising Agencies, Commercial Artists and Designers," provides, in paragraph (a)(2)(A), that tax applies to charges for artwork. Lettering is regarded as an art form. It has been our position since at least 1968 that inscribing names of high school graduates on diplomas constitutes a taxable sale. It appears that some opinions were issued in earlier years to the effect that charges for hand lettering were not subject to tax. Our position has been firm, however, since at least 1968 that lettering constitutes artwork and that charges for hand lettering are subject to the sales tax.

We note that tax would likewise apply to charges made by an engraver for engraving names and dates on new trophies and awards.

Very truly yours,

Glenn L. Rigby
Tax Counsel

GLR:GJJ:AT