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**STATE BOARD OF EQUALIZATION**

November 8, 1951

REDACTED TEXT

Attention: REDACTED TEXT

Gentlemen:

This is in answer to your letter of September 24 regarding the application of the sales tax with respect to paint used by you to paint returnable oil and grease drums.

We are not entirely clear from your letter as to whether you do the reconditioning and painting or whether it is done by someone else. We shall assume, however, that the work is done by you and that your question therefore involves the taxability of the sale to you of the paint used in this connection.

It is our opinion that the tax applies with respect to the sale of the paint to you. We believe such sale is a retail sale since you use the paint in reconditioning the drums. We do not believe that the paint should be regarded as a label affixed to a container each time it is refilled, within the meaning of Sales and Use Tax Ruling 49, Paragraph B, under the heading "Labels". We agree with you, however, that new decals and paint used for stencilling apparently may be properly regarded as labels replaced each time the drums are filled.

Very truly yours,

E. H. Stetson  
Tax Counsel

EHS: ja