



STATE BOARD OF EQUALIZATION

1528 Photograph coupons for which photographer allows credit.

April 4, 1950

Dear Sir:

This is in answer to your letter of March 29 with respect to the application of the California sales tax to sales of coupons by solicitors employed in this state by your clients, --- and --- California ---.

For your information we are enclosing a pamphlet copy of the California Sales and Use Tax Law. As indicated by Section 6051 thereof, the sales tax is imposed upon the retailer, measured by the gross receipts of the retailer from the sale of tangible personal property at retail in this state. "Gross Receipts" are defined at Section 6012.

As stated in our previous letter concerning this subject, it appears that the purchaser of photographs from your clients' studio is allowed a credit in the amount of the coupons purchased from the solicitor. If this is correct, it would appear that the amount for which the coupon is sold and for which a credit is given by your clients, represents a part of the gross receipts derived from the sale of the photographs, within the meaning of said Section 6012.

We shall be pleased to discuss this matter with you at any time that you may be in Sacramento. If possible we suggest that you advise us several days in advance of your call. We also suggest that you bring several of the coupons sold by the solicitors, together with a copy of the contract with the solicitors.

Very truly yours,

R. G. Hamlin
Associate Tax Counsel

RGH: hb
PHOTOGRAPHERS "Coupons"