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**STATE BOARD OF EQUALIZATION**

July 13, 1966

Dear Dr.

Annotation number 1536.15, page 3492.2, Insurance, 12-8-65, provides that when the lessee of an automobile is required under the contract to obtain automobile insurance for his own benefit, and the lessor sells such insurance to the lessee making a separately-stated charge therefor, the charge for the insurance is excludible from the lessor's taxable rental receipts if the lessee is not required to purchase the insurance from, the lessor, but may purchase it from an insurer of his own choice.

Since the foregoing is inconsistent with California Tax Service, page 3538, Rental of Property Purchased for Resale, annotation number 1722.70, Insurance Premiums, 6-15-60, the latter is superseded and should be deleted.

Very truly yours,

George A. Trigueros  
Associate Tax Counsel

Bcc: Mr. Richard Ochsner  
Forms Management  
Mrs. Grace Goertz