

**M e m o r a n d u m****385.2110**

To: Mr. Donald J. Hennessy

Date: August 18, 1982

From: Mary C. Armstrong

Subject: Annotation 385.2101  
R---'s D--- A---, Inc.  
SC --- XX XXXXXX

On October 28, 1981, we received a memorandum from the Audit Evaluation and Planning Unit regarding Annotation 385.2101 which lists R---'s D--- C--- B--- as an exempt periodical.

The listing was based on a memorandum dated October 4, 1973 from Mr. Gary Jugum which concluded that R---'s D--- C--- B--- qualified as an exempt periodical both before and after March 9, 1966. March 9, 1966 was the effective date of the amendments to Sales and Use Tax regulation 1591 excluding "books complete in themselves."

On January 2, 1975 Mr. Leslie Clarke wrote R---'s D--- stating that a previous opinion issued by the legal staff on September 12, 1958 that R---'s D--- C--- B--- qualified as exempt periodicals was no longer valid and that the legal staff was of the opinion that the R---'s D--- C--- B--- did not qualify as exempt periodicals. The reasons given were that R---'s D--- C--- B--- have the characteristics of books rather than of magazines and are hard-bound anthologies of abridged stories, without continuing features. As such, the R---'s D--- C--- B--- are "books complete in themselves" and tax applies to their sale.

Mr. Clarke's opinion was affirmed by a memorandum from Mr. Glenn Rigby dated January 21, 1975.

R---'s D--- has been collecting and reporting use tax on the condensed books since April 1, 1975.

We are, therefore, in agreement with the suggestion from Audit Evaluation and Planning that R---'s D--- C--- B--- should be deleted from Annotation 385.2101.

If you have further questions concerning this matter, we will be happy to discuss them with you.

JBA:ba