



STATE BOARD OF EQUALIZATION

March 22, 1960

X-----

Your letter March 8

Dear Mr. X-----,

Your letter of the above date, addressed to the "Department of Revenue, Sales Tax Collection Division", has been referred to the State Board of Equalization, which is the agency which administers the California Sales and Use Tax Laws.

You inquire about the application of sales tax to transactions where you print stationery outside of California upon orders from customers in California for their use in this State. Under the California Sales and Use Tax Law, such a transaction would give rise to a use tax which is imposed upon the purchaser. This use tax must be collected by the retail seller from the purchaser if the retailer is engaged in business in California either by virtue of maintaining a place of business herein or by having agents, representatives, salesmen or solicitors operating in this State for the purpose of taking orders to be filled by the out-of-state retailer.

If the retailer is not engaged in business in California as defined by the law, he may still voluntarily register with the State Board of Equalization and collect the tax for the State from the customer. Otherwise, the purchaser must report and pay the tax to the State. The use tax (which is 3% State and 1% local where applicable) applies to charges for printing regardless of whether the paper stock is supplied by the printer or by the customer. For your convenience, we are enclosing herewith Sales and Use Tax Rulings 24, 73, and 74.

Thank you for your inquiry, and if we may be of any further assistance to you do not hesitate to contact us.

Very truly yours

Stanley G. Lerner
Assistant Tax Counsel

SGL:fb

Enclosures

Cc: Chicago – (CFH)