



STATE BOARD OF EQUALIZATION

June 27, 1951

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Dear X-----:

This is in answer to your letter of June 20 with respect to the application of the State sales tax to your client's charges for slitting and shearing steel.

As defined by section 6012 of the Sales and Use Tax Law, taxable gross receipts include the full sales price of tangible personal property sold at retail without deduction for material or labor cost or any other expense and, specifically, includes "any services that are part of the sale". Accordingly, it is our opinion that the sales price of steel sold by your client at retail which is subject to the tax includes any amount added for shearing or slitting the materials.

Where your client performs slitting or shearing on a contract basis, that is, where the customer furnishes his own metal, it is our conclusion that the application of the tax is governed by Sales and Use Tax Ruling 15, copy enclosed. As therein indicated if the material is furnished by a consumer the tax will apply.

Very truly yours,

R. G. Hamlin
Tax Counsel

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