



STATE BOARD OF EQUALIZATION

LEGAL DIVISION – MIC:82
450 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0082)
TELEPHONE: (916) 445-3723
FAX: (916) 323-3387

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
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June 24, 1996

E. L. SORENSEN, JR.
Executive Director

Mr. J--- G. B---
Chief, Products & Services Division
Office of Contracts
United States Information Agency
Washington, D.C. 20547-0001

Dear Mr. B---:

This is in response to your facsimile transmission to the Honorable Ernest J. Dronenburg, Jr., of June 18, 1996

We understand that the United States Information Agency (USIA) is an agency of the United States Government. You perform your function through the Voice of America (VOA) international radio network, Worldnet international television network, Radio/TV Marti broadcasting to Cuba, and you support the foreign press in the United States covering major government newsworthy events.

In furtherance of your mission, you will have 80 staff members, acting in their official government capacity, in San Diego to cover the Republican National Convention.

To perform your duties, you will acquire by U. S. Government credit card, purchase order, and contract, a variety of goods and services. These goods and services range from outfitting and equipping work space in the Convention Center, telecommunications equipment and services, vehicle rental, hotel room rental, etc. The U. S. Treasury will make payment by check or wire transfer of funds.

Under the California Sales and Use Tax Law, tax does not apply to the sale or lease of tangible personal property to the United States Government or its entities or instrumentalities. Tax does not apply where there is a U. S. Government purchase order, or where the goods are paid for by credit card issued to the United States, or where payment is made by U. S. Treasury check or wire transfer of funds.

Tax does not apply to sales or leases to U. S. Government employees, including employees acting in their official capacity, if payment is made directly by the employee by cash, check, or

personal credit card, notwithstanding the fact that the U. S. Government may reimburse the employee for expenses.

By copy of this letter to Mr. Glenn A. Bystrom, Deputy Director for the State Board of Equalization's sales and use tax program, we are requesting that he assist you with sales and use tax exemption documentation.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr

cc: Mr. Glenn A. Bystrom – MIC:43