STATE BOARD OF EQUALIZATION

January 25, 1961

Attention: _____
General Manager

Gentlemen:

In your letter of January 19, 1961, you stated that your company, with offices in Pennsylvania only, has purchased automobiles from a dealer in that state. These automobiles were purchased for the purpose of being leased to a Philadelphia concern.

Since employees of the lessee were located in the western part of the United States, arrangements were made by your company through the Pennsylvania dealer for the manufacturer to ship some cars directly to one of their dealers in California for "final clean-up and delivery to the actual driver of the vehicle". The west coast dealer will be paid for his charges for clean-up and delivery only. All of the cars are registered in your company's name with the proper Pennsylvania authority.

Based on the statement of facts, it is our opinion that the California dealer has correctly considered these transfers as subject to California tax since Section 6007 of the Sales and Use Tax Law, pamphlet copy enclosed, provides that such deliveries constitute taxable sales. Even if said section were not in point, the Board would consider the use tax (Section 6201, etc.) applicable in that the place of delivery to the lessee is regarded as determinative of the taxability of the lessor's use, i.e., the act of leasing.

We are not entirely familiar with the Pennsylvania sales and use tax laws; but if they are comparable to the California statutes, we are somewhat confused by your statements regarding the payment of sales and use taxes on the transfer and use of property which, as we understand it, has never been within the boundaries of the State. In any event, the California Sales Tax Law does not provide for a credit, deduction or offset of any kind for sales or use taxes paid in other states.

Very truly yours,

J. J. Delaney
Associate Tax Counsel

JJD:tl
Enc.

cc: New York
Out-of-State Unit