

2065 Sportfishing-boats for which commercial-fishing-license is required.

PLEASE RETURN TO  
LEGAL FILES

*Watercraft*

October 31, 1958

Your letter of October 7 addressed to Honorable Edmund G. Brown, Attorney General, has been referred to this Board for reply, as this Board is the State agency charged with the administration of the California Sales and Use Tax Law.

Your question concerns the applicability of Section 6368 of the Sales and Use Tax Law to sportfishing boats. Sales and Use Tax Ruling 51.5 sets forth the administrative interpretation of the above section, and a copy of the ruling is enclosed.

We have been informed by the State Department of Fish and Game that operators of party boats or sportfishing boats are required to secure a commercial fishing license under Section 7850 of the Fish and Game Code, as well as a party boat license under Section 7920. In view of the fact that a commercial fishing license is required by the State Department of Fish and Game, we have reached the conclusion that sales of sportfishing boats or tangible personal property becoming a component part of sportfishing boats are exempt from sales tax to the same extent as if the sales were made to operators of commercial deep-sea fishing vessels, other than operators of party boats or sportfishing boats.

As Ruling 51.5 indicates, it is a condition of the exemption that the watercraft shall be used principally outside of the territorial waters of this State. Thus, if the principal use occurs within the territorial waters of this State, the tax will apply. See particularly the third paragraph of Ruling 51.5.

Our district and field staff is being informed of this opinion.

Very truly yours,

R.H. Stetson  
Tax Counsel

cc: Hon. James E. Sabine

cc: San Diego - Administrator

Los Angeles - Administrator

Long Beach - Administrator

San Francisco - Administrator

Santa Rosa - Administrator