



---

**STATE BOARD OF EQUALIZATION**

May 11, 1967

Dear Mr. ---:

Mr. Robert S. Goldflam of our San Mateo office has asked us to reply to your inquiry concerning the application of sales tax with respect to charges made for varityping copy to be used in printing.

Under sales tax Ruling 24, the furnishing of reproduction proofs to typographers for use in making printing media is regarded as a nontaxable service. A reproduction proof is defined in Business Taxes General Bulletin 62-3, as a direct proof, copy, likeness, or photographic image of type set by any typesetting process, and used exclusively for reproduction purposes. This definition has been interpreted by this Board to include copy produced by varityper which is used as a reproduction proof in the production of printed matter.

The foregoing is the basis of California Tax Service Annotation No. 1688.20, which states that tax does not apply to varityping charges in the production of "reproduction proofs".

Under sales tax Ruling 2, advertising agencies and commercial artists are regarded as retailers of paste-ups which they produce and sell to others for use in the production of printed matter. When copy is produced by means of the varityper, and is physically incorporated into such a paste-up, the entire charge for the paste-up, including the portion attributable to the copy, is subject to tax. This is the kind of situation to which California Tax Service Annotation 1688.40 properly refers.

Very truly yours,

George A. Trigueros  
Associate Tax Counsel

GAT:ab      [lb]