

**M e m o r a n d u m****135.0140**□

To: Out-of-State – Auditing (JDD)

Date: June 21, 1967

From: Tax Counsel (JHM)

Subject: Banks and Insurance Companies

Your letter of December 1, 1966 to Tax Counsel Richard H. Ochsner, has been referred to me for consideration and reply. After further consideration, we have concluded that the reasoning set forth in my letter dated March 4, 1958 to [C] should be followed. In other words, it is our position that Article XIII, § 14-4/5 of the California Constitution does not grant a second level exemption from use tax to private or individual adjusters or insurance agents. However, the exemption does apply if tangible personal property is used by an employee of an insurance company in the performance of his duties as an employee.

JHM:mm [lb]