With your memorandum of July 2 you submitted a copy of a deposit receipt issued by the B--- A--- and P--- A---, Inc., to its prospective buyer of a house. Included with the house, to be paid for over the period of the thirtyyear loan, is a G.E. refrigerator and gas range. You inquire whether or not the seller of the house is making a taxable retail sale of the appliances. In other cases such appliances as washing machines are also included.

We believe that the tax applies to whatever are the contractor’s gross receipts from the sale of the appliances. You are correct in making an allowance for tax reimbursement paid to the vendor of the appliances and the amounts paid for the attachment to gas and water outlets. For purposes of the sales tax law it is immaterial that the cost of the appliances are included in the real estate mortgage; that the appliances are installed before the buyer receives the beneficial title to the property; that the appliances are firmly attached to the realty by the gas pipes or rubber water connections or that the spaces between cabinets are specifically designed to accommodate the particular appliances. Accordingly, it is our opinion that you may proceed with the audit as suggested in your memorandum.

Jack D. Paulson

JDP:vad