



---

**STATE BOARD OF EQUALIZATION**

April 14, 1966

Mr. E--- D. O---  
XXXX --- Boulevard  
--- ---, California XXXXX

SR -- XX XXXXXXX  
F--- S--- Inc.

Dear Mr. Oliver:

This is in reply to your letter of April 12, 1966, concerning the taxability of fluorescent tubes and ballasts. After further consideration of the matter, we believe our earlier letter of April 4, 1966, was in error. A contract to periodically replace fluorescent tubes and ballasts in lighting fixtures constitutes a construction contract.

This interpretation is in conformity with past treatment of similar lamps and ballasts on government owned property.

We are asking our district office to make appropriate adjustments in the audit. Since the taxpayer reported the lamps at cost, this item will be deleted. The taxpayer did not report the ballasts and this item will be reduced to the taxpayer's cost.

Very truly yours,

John H. Knowles  
Associate Tax Counsel

JHK:em

cc: Pasadena – Subdistrict Administrator

After a conference with Mr. Oliver, Mr. Stetson and others of the legal staff, it is concluded that contracts to replace lamps and ballasts are construction contracts. Please make appropriate adjustments in the audit to treat the taxpayer as a contractor on a lump sum contract.

JHK