

STATE BOARD OF EQUALIZATION

OFFICE CORRESPONDENCE

190.0400

Date: Sacramento
June 20, 1950

To: Mr. L. H. Wilson

From: E. H. Stetson

Re: Your memo of May 25

In answer to your memo of May 25, we wish to advise that the Reno contractor who erected a school in Truckee is liable for the use tax measured by the purchase price to him of all of the "materials" as defined in Ruling 11 which were purchased by him outside this State for use in this construction job. If he installed any "fixtures" as defined in Ruling 11, he is liable for sales tax measured by the retail price of such fixtures determined in the manner indicated in Ruling 11.

The home owner is under no obligation whatsoever for payment of use tax with respect to materials used by a construction contractor in erecting a home. The tax is the contractor's obligation and there is no basis whatsoever for holding the home owner liable for the tax. Even if the contractor installed "fixtures", the home owner is under no tax liability to the State since the contractor would be making a sale subject to sales tax and he alone could be held liable for that tax.

EHS:ph