



STATE BOARD OF EQUALIZATION

October 24, 1952

Gentlemen:

Re: ---

Your inquiry concerns the application of the sales tax where the subcontractor is furnishing part of the "materials" by the general contractor in improving real property.

As we understand the facts, your client contracts with the consumer to deliver steel or aluminum sash, including wooden "surrounds", place it in window openings, and glaze the sash. Your client contracts with a subcontractor who fits the sash into the "surrounds". The surrounds and sash are nailed into the window opening by the subcontractor and the glazing is done at the site by your client. The subcontractor does not purchase the sash from your client but is merely compensated at a flat price for his work.

As your client does not sell the sash to the subcontractor, and is responsible to the customer for the entire installation, it is our opinion that he may properly be regarded as the consumer of the sash. We feel that, under this set of facts the party actually responsible for the work to the customer should be regarded as the consumer of "materials" furnished by him, even though the installation is performed by an independent contractor.

Very truly yours,

W. W. Mangels
Assistant Counsel

WWM:ja

cc: San Diego - Auditing