

Memorandum

275.0020

Sacramento
August 1, 1978

To: San Diego – Administrator

From: Headquarters – Sales Tax Counsel (JDP)

Subject: F--- B---
XXXX South --- Street

Account - - XXXXX

Please refer to my letter of June 12, 1958 to this taxpayer, copy enclosed. This problem has arisen again and, after discussing the matter with Mr. Stetson, Tax Counsel, and Mr. Denny, Assistant Administrator, it has been determined that charges for servicing aqua lungs with compressed air where the customer furnished the aqua lung and the taxpayer merely furnished the service of his compressor, the transaction is a nontaxable service. However, sales tax still applies to the receipts from sales of air which has been previously compressed into cylinders or tanks with the tanks being delivered to the purchaser.

Please advise the taxpayer of this change in our position.

Jack D. Paulson

JDP:o'b
Enc.