



STATE BOARD OF EQUALIZATION

August 31, 1966

Dear

This is in reply to your letter of August 25, 1966.

It is our understanding that you are creating a sales promotion plan involving Tourist Discount Coupons. You will have the coupons printed; then, you will sell them to distributors for \$4.80. They, in turn, will sell the coupons for \$5.00, and the purchasers will use the coupons to purchase \$5.60 in meals or amusement admissions from restaurants and tourist attractions. You will redeem the coupons for \$4.40.

Under the foregoing, it appears to us that you will be the consumer of the printed coupons; therefore, the sales, or use tax will apply to your cost of the coupons. No further tax will be due with respect to the amounts you receive from the distributors.

Very truly yours,

George A. Trigueros
Associate Tax Counsel

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cc: San Francisco District Administrator