

M e m o r a n d u m**295.0035**

To: Mr. Glenn A. Bystrom
Principal Tax Auditor

December 5, 1990

From: David H. Levine
Senior Tax Counsel

ATSS 485-5550
(916) 445-5550

Subject: Autographs on Baseball Cards

This is in response to your memorandum dated November 6, 1990. You ask our opinion regarding the application of sales tax in the following situations:

- "1. A vendor sells a baseball card (value \$5) and the pictured player is present to autograph the card (value \$30), for one lump sum price of \$35.
- "2. A vendor sells a baseball card for \$5 and as an option, the customer may pay an additional \$30 to the vendor to have the player sign the card.
- "3. A vendor sells a baseball card for \$5. then the customer takes the card to another table that is run by the show promoter where the player will sign the card for a \$30 fee."

You note that I had discussed this previously with a member of your staff, Geoffrey Lyle, and concluded that the entire \$35 in situation 1 is subject to sales tax. You agree with this conclusion. I had concluded that sales tax applies only to the \$5 charge for the baseball card under situations 2 and 3. You are troubled by this conclusion because of the similarity of this type of transaction to the transaction discussed in Annotation 435.0800. That annotation states that charges for engraving jewelry are included in gross receipts unless performed long after the original sale. You ask for our further review of my previous conclusions.

Although this is a close question, we believe that Annotation 430.0640 (12/4/50) is closer to this transaction than Annotation 435.0800. That annotation states that printing of lettering and signs on new trucks or automobiles is not a sale under section 6006(b). Our

opinion therefore remains that tax does not apply to the \$30 charge for the autographs under situations 2 and 3.

DHL:wk

cc: Mr. Donald J. Hennessy
Mr. John Abbott
Mr. Geoffrey Lyle