



STATE BOARD OF EQUALIZATION

July 17, 1953

Mr. Albert F. Kreeger
P. O. Box 226
Clearlake Highlands, California

Your letter of July
Account No.

Dear Mr.

You inquire whether the sales tax would apply if you were to trade your business for a home of approximately the same value.

Section 6012 of the California Sales and Use Tax Law provides, in part, that taxable gross receipts include all receipts, cash, credits, and property of any kind when received as consideration for tangible personal property sold at retail. In other words, the sales tax applies to the selling price of tangible personal property whether or not the consideration received constitutes cash or other consideration, including real estate received in exchange.

Furthermore, section 6006.5 of the Law does not include within the definition of an exempt occasional sale by a retailer the sale of tangible personal property held or used by a seller in the course of an activity for which a seller's permit is required. Therefore, if you were to trade your business for a home, the tax would apply to that portion of the gross receipts representing the selling price of personal property held or used in your business other than stock in trade sold for resale in the regular course of the purchaser's business. See also the third paragraph of Ruling 81 (copy enclosed).

If you desire further information concerning the application of the tax to the sale of your business, we would suggest that you contact a representative of our Lakeport office, 100 Main Street, P. O. Box 447, telephone 2385.

Yours very truly,

W. W. Mangels
Assistant Counsel

WWM: ja
cc: Woodland - Compliance