



STATE BOARD OF EQUALIZATION

January 23, 1950

T--- W--- A--- O--- Company
XX --- --- Street
--- --- XX, California

Attention: Mr. F--- R. B---

Account - - XXXX

Gentlemen:

This is in answer to your letter of January 16 with respect to the application of the State use tax to the amount charged by your vendor, The Y--- S--- P--- Company of California, to cover the cost of testing tubing which you purchased from it by the Y--- S--- and T--- Company at its plant in ---, Ohio, prior to its shipment to you.

The measure of the use tax is the sales price for which the tangible personal property is sold. Section 6011 of the Sales and Use Tax Law defines "sales price," in part, to mean the total amount for which tangible personal property so sold without deduction for the cost of the property sold, the cost of materials used, labor or service cost, or any other expenses, and specifically includes "any services that are a part of the sale." It is our opinion that the testing of the tubing at the factory prior to its shipment to you is a service which is a part of the sale of the tubing. Accordingly, we regard the charge for such testing service as a part of the sales price for which the property is sold and subject to the use tax.

Very truly yours,

R. G. Hamlin
Associate Tax Counsel

RGH:HB

cc: Burnett Sheehan