

M e m o r a n d u m**315.0340**

September 21, 1950

To: V. Ekstrom

From: R. G. Hamlin

Subject: A--- G. K---
XXXX West --- Boulevard
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We have reviewed the field audit report and correspondence in connection with our proposed determination against the above taxpayer, with particular reference to the application of tax to that portion of the installation charges of organs attributable to testing, tuning, and adjusting of the organ during its installation.

It is our opinion that the charges for labor of tuning, testing, and adjusting of organs for the purpose of adapting the tone to the particular acoustics of the building in which the organ is installed is a part of the charge for installation. Accordingly, if such charges, together with other charges for labor of installation, are segregated from the sales price of the organ, the tax will not apply. In this connection it is noted that our auditor's supplemental comments, dated July 21, indicate that the organs are completely manufactured, assembled, and tested at the factory before shipment and that the tuning, testing, and adjustment with respect to these organs at the time of installation is to fit them to the acoustics of the buildings in which they are installed.

RGH:HB