

Memorandum

315.0480

To: Mr. Gary Jugum

Date: January 5, 1977

From: Glenn L. Rigby

Subject: Electric Clock Repairs

In our discussion of January 3, the question was raised as to whether or not Annotation 315.0480 sets forth the present thinking as to the application of sales tax to repairs of electric clocks.

As was pointed out, the Annotation states such repairs are retailers of the parts furnished without regard to the guidelines as set forth for general repairs in 1546. My reading of the backup letter to the above referenced Annotation discloses the letter was written prior to the time we had a 10% rule as outlined in the Regulation.

Since I cannot see any reason for treating clock repairs any different than any other general repairs of tangible personal property, it is my opinion electric clock repairs should only be regarded as the retailer of the parts they use if the retail value of the parts exceeds 10% of the total charge.

GLR: po