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**STATE BOARD OF EQUALIZATION**

October 22, 1962

Dear Mr. ---

Frank Lagomarsino, District Tax Administrator, San Jose, has forwarded to me for reply your letter of October 9, after having discussed the problem with me by telephone.

As you describe the operation, the taxability of which is in question, it appears to be an alteration of used printing press units to adapt them to smaller newsprint rolls and narrower columns. We believe that this operation performed by --- may be regarded as reconditioning of used equipment, rather than fabrication or processing of a new or substantially different article. Accordingly, use tax will not apply to the charge for the reconditioning labor.

It will apply, however, to the charge for any materials or parts furnished in connection with performing the reconditioning. The selling price or such parts or materials would, of course, be inclusive of any labor involved in actually manufacturing such parts or supplies. The balance or the labor charge is, however, in our opinion, nontaxable as in the nature of reconditioning or remodeling an existing used article, rather than fabricating or processing a new or substantially different item.

Very truly yours,

E. H. Stetson  
Tax Counsel .

EHS:fb  
cc: San Jose - District Administrator