You have inquired with respect to the application of the tax to two activities of this concern.

The two activities are so closely related that the application of the tax will be the same with respect to each. If the used transformer oil or used paint thinners which this company purifies for its customers do not involve the commingling of the materials of different customers, the tax does not apply to its charge. In this event, the process appears to be merely that of restoring the oil or paint thinner to refit it for the use for which it was originally produced. This appears to be analogous to a repair operation in which the repairman does not furnish any tangible personal property in connection with the repair.

If the method of reconditioning the transformer oil or the paint thinners involves the commingling of the property of various customers, the application of the tax will be governed by the last paragraph of Ruling 26. That is, if the customer does not receive back the identical property delivered to this firm, the tax will apply to the charges made for the reconditioning.

RGH:HB