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**STATE BOARD OF EQUALIZATION**

November 5, 1954

Dear Mr.

You do auto body repair work and on many jobs it is necessary to have chrome or stainless steel parts polished or rechromed. This work is subcontracted to an outside firm. You inquire concerning the application of sales tax to the charge made to you by this firm.

The application of tax to repair work is governed by Ruling 26 (copy enclosed). See also Ruling 30 (copy enclosed). Certainly, in the case of polishing, any materials which become an ingredient or component part of the item polished are insignificant in cost in comparison with the total charge. In the case of rechroming, we have also considered the cost of materials to be insignificant in relation to the total charge. Accordingly, both polishing and rechroming of used property are repair activities which are governed by the second paragraph of Ruling 26.

Thus, the person performing the polishing or rechroming is the consumer of all materials used and tax does not apply to his charges. Likewise, tax does not apply to the charge which you make to the customer for this work even though you might add a markup to the amount charged you by the subcontractor.

We enclose an extra copy of this letter for your convenience in corresponding with the firm which does your polishing and rechroming work.

Yours very truly,

Bill Holden  
Assistant Counsel

BH:ja  
cc: San Bernardino - Auditing