

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA  
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)  
(916) 445-6493

July 3, 1990

Mr. J--- de G---  
Operations Manager  
T--- C---, Inc.  
XXXX S. XX<sup>th</sup> Street  
---, AZ XXXXX

T--- C---, Inc. – SC -- XX-XXXXXX  
F--- S--- H--- – SR -- XX-XXXXXX  
Interstate shipments – delivery to freight forwarder

Dear Mr. de G---:

In your letter of May 2, 1990 to me, you replied to my opinion letter to you dated April 27, 1990, related to a sale of electronic equipment by T--- C--- to F--- S--- H---. With respect to this transaction, your letter adds the following additional facts to your March 2, 1990 letter to the Board's Return Review Unit:

- “1. F--- S--- Resort --- is located in the State of Hawaii.
- “2. B--- S--- Inc. (213) 299-2640 is a freight forwarder to whom shipment was made for the sole purpose of shipping to F--- S--- Resort --- in Hawaii.”

With this additional information, you ask me to reverse my opinion in my April 27, 1990 letter and find the transaction in question nontaxable.

In brief, your two letters state that in the transaction in question, T--- C--- shipped the electronic equipment by common carrier from ---, Arizona to B--- S---, Inc., a California freight forwarder, who in turn shipped the equipment to the purchaser, the F--- S--- H--- in Hawaii. Based on these facts, we agree with your contention that California sales or use tax does not apply to this transaction. The sale did not occur in California, and the purchaser did not take possession of the property in California or make any use of that property in California. T---'s shipment of the property to a California freight forwarder constitutes the continuation of an interstate shipment from Arizona to Hawaii of the property sold. (See Reg. 1620 (a) and ( b), copy enclosed with my April 27, 1990 letter to you).

Mr. Jim de Generes

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July 3, 1990  
325.1536

Please feel free to contact me if you have any further questions or comments about this letter.

Sincerely,

John Abbott  
Senior Tax Counsel

JA:jb