



STATE BOARD OF EQUALIZATION

November 2, 1953

U--- S--- P--- C---, Inc.
XXX --- Avenue
--- --- XX, New York

Attention: Mr. W. W. K---
Assistant Purchasing Agent

Gentlemen:

This is in answer to your letter of October 15 concerning the application of the California retail sales tax to sales of medical items and other ships' supplies.

We quote the following portion of Sales and Use Tax Ruling 55, Interstate and Foreign Commerce:

“Sales tax applies to sales to operators of steamships of tangible personal property such as fuel oil and ships' supplies, irrespective of the fact that the property will be consumed on the high seas or outside the territorial limits of this State. Tax does not apply to sales of tangible personal property purchased for resale on board ship through the ship's commissary or otherwise.”

You state that the Sales and Use Tax “Booklet” that you now have contradicts itself as respects medical equipment. We are unaware of any contradictory portions and would appreciate your calling our attention to the specific provisions which you believe to be contradictory so that, if such contradiction exists, it may be corrected at the next printing.

As you will note from the above quotation from Ruling 55, sales tax applies to sales to operators of steamships of all tangible personal property used as ships' supplies. This includes, of course, the items mentioned by you, ice, greases, gasoline, lubricating oils, and kerosene.

The only exception is where a vendor and his vendee conform strictly to the requirements of Section 6385 of the Sales and Use Tax Law which is quoted herewith for your convenience:

“There are exempted from the computation of the amount of the sales tax the gross receipts from sales of tangible personal property to a common carrier [other than fuel and petroleum products (DHL 1/10/91)] shipped by the seller via the purchasing carrier under a bill of lading whether the freight is paid in advance, or the shipment is made freight charges collect, to a point outside this State and the property is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a common carrier.”

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:ph

cc: New York (SS)