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**STATE BOARD OF EQUALIZATION**

May 20, 1955

Your letter of February 9  
In reply refer to -- - XXXXX

S--- of A---, Inc.  
XXX North --- Avenue  
--- --- XX, California

Attention: Mr. H. G---

Gentlemen:

You ask for confirmation of your understanding that sales tax does not apply to your charges in connection with a coating which you affix to store windows.

This coating would be regarded as similar to painting and, therefore, governed by Sales and Use Tax Ruling 21, copy enclosed. As you will note in the last sentence of the ruling, tax does not apply to charges for painting real property. For a similar reason tax does not apply to your charges in connection with a coating which you affix to store windows.

The basis for Ruling 21 is that sales tax applies to a sale of personal property. Painting real property is regarded as improving real property rather than selling personal property.

You are correct, therefore, in your understanding and you are likewise correct in purchasing your base ingredients tax paid.

Very truly yours,

Bill Holden (signed)  
Associate Tax Counsel

BH:ph