



STATE BOARD OF EQUALIZATION

(916) 445-6450

March 15, 1989

Dear: ---

This is in reply to your January 30, 1989 letter regarding the application of sales tax to your charges for editing qualified motion pictures in light of Senate Bill 1405.

You noted that you pay tax reimbursement to your vendors on your purchase of splicing tape, grease pencils, viewer blubs, and equipment and maintenance items. You are correct that, if you then perform nontaxable editing qualified motion picture services on film purchased by the producer, and you return to the producer his or her cut and spliced film, no further sales or use tax is due on your transaction.

If you have any further questions on this, feel free to write again.

Very truly yours,

Ronald L. Dick
Tax Counsel

RLD:sr