



STATE BOARD OF EQUALIZATION

(916) 445-6493

April 20, 1989

Periodicals – sales of baseball cards

Dear ---

Your March 13, 1989 letter to --- Senior Tax Representative, Return Review Unit, was referred to the legal staff for reply. You wrote in response to a February 10, 1989 letter from --- to you, stating that your sales of used baseball cards do not meet the qualifications for a periodical exempt from sales and use tax under Regulation 1590 (a)(2). In your March 13 reply, you contend that baseball cards meet the criteria of a periodical under the Board's Regulation 1590 because they "are printed/dated material of each ball player and his statistics on a yearly basis. Therefore, they fall into the same category as any printed material issued in a series."

We agree with --- that sales of used baseball cards (or new baseball cards) do not qualify as nontaxable sales of periodicals, within the meaning of Regulation 1590 (a) (2). Only publications meeting all of the criteria described in Regulation 1590(a) (2) will qualify as nontaxable periodicals. Although baseball cards contain information of a general interest to purchasers, they are not "publications which appear at stated intervals" (subdivision (a) (2)) nor are they "regularly issued at average intervals not exceeding three months" (subdivision (b) (1)). Rather, baseball cards are printed on an annual basis by the distributors, and it makes no differences for sales and use tax purposes that smaller packages of the cards are sold throughout the season, or that there is a resale market for used cards. By contrast, a magazine devoted to baseball cards which was published at stated intervals at least four times per year would qualify as a nontaxable periodical.

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

Sincerely,

John Abbott
Senior Tax Counsel

cc: Ms. Sandra L. Shaver Return Review Unit