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**STATE BOARD OF EQUALIZATION**

July 3, 1968

Gentlemen:

Your letter of May 1 and June 7 to Mr. J. T. Quick of our district office has been referred to the undersigned for reply.

We understand your position is that the Central Valley Shopping Guide qualifies as an exempt periodical under Ruling 50 in that it is being published at required regular intervals and that at least 25 percent of each issue maintains articles of public interest, 10 percent of which are on a continuing basis.

Ruling 50 provides in part:

“... Each issue must bear a relationship to prior or subsequent issues in respect to continuity of literary character or similarity of subject matter, and there must be some connection between the different issues of the series in the nature of the articles appearing in them.”

This definition is based upon *Business Statistics Organization, Inc. v. Joseph*, 87 N.E. 2d 505, which defined a periodical as a publication appearing at stated intervals, each number containing a variety of original articles by different authors devoted either to general literature of some special branch of learning or to a special class of subjects.

An examination of the submitted sample copies and fly sheets submitted indicate that the “Shopping Guide” does meet the requirement of publication at stated intervals. However, we do not agree that it contains sufficient news of general interest to the public as required in Ruling 50. It is our opinion that items submitted as news of public interest, i.e., Pet News, are in substance free want ads for the advertiser and do not bear a relationship in respect to continuity of literary character or connection between the different issues in the nature of the articles appearing in them. Thus, the advertising portion of the Shopping Guide exceeds 90 percent of the printing area of the entire issue.

It is our opinion, therefore, that the Shopping Guide samples and subsequent issues with the same format would not be considered exempt periodicals and charges to you for printing would be subject to sales tax.

Very truly yours,

T. P. Putnam  
Tax Counsel

By Burt E. Banks

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