



STATE BOARD OF EQUALIZATION

April 30, 1969

Attention:

Gentlemen:

Re:

This is in reply to your letter of March 19, 1969, in which you request our opinion as to the application of the Sales and Use Tax Law to the publication, "AD*LIB."

Your customer maintains that "AD*LIB" is not subject to sales tax because it is considered a newspaper and is entered as such as second class mail in the post office. You think tax is applicable because the publication is not for resale nor, in your opinion, does it carry the required percentage of news. The publication is issued weekly.

Section 6362 of the Revenue and Taxation Code exempts from the tax tangible personal property which becomes an ingredient or component part of any newspaper or periodical regularly issued at average intervals not exceeding three months.

The term "newspaper" as used in section 6362 is limited to those publications which are commonly understood to be newspapers. In our opinion "AD*LIB" is not a newspaper for purposes of the Sales and Use Tax Law. The term "periodical," however, includes those publications which appear at stated intervals, each issue or which contains news or information of general interest to the public or to some particular organization or group of persons. 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 or the series in the nature of the articles appearing in them. The term does not include shopping guides or other publications of which the advertising portion, including product publicity, exceeds 90 percent of the printed area of the entire issue in more than one half of the issues during any 12-month period [ruling 50, copy enclosed].

In our opinion "AD*LIB" qualifies as a "periodical." Although the publication is essentially a shopping guide, seven of the 24 pages of the sample issue with which you provided us are devoted to listings or television programs. Such information is of general interest to the

public. Assuming that other issues of the publication will carry similar non-advertising information, we think that "AD*LIB" qualifies for the exemption provided by section 6362.

Very truly yours,

T. P. Putnam
Tax Counsel

By: _____
Gary J. Jugum

GJJ:ab
Enclosure

bc: San Francisco - District Administrator