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**STATE BOARD OF EQUALIZATION**

(916) 327-3400

November 7, 1990

Dear Ms. ---:

I am writing in response to your September 19, 1990 request for legal advice regarding the application of sales and use tax to publications of --- High School. You enclosed one copy each of the publications "Insights" and "Foundation Newsletter."

Except where specifically exempted by statute, sales tax applies to the gross receipts of retailers from all retail sales of tangible personal property in this state. (Rev. & Tax. Code § 6051.) Under Revenue and Taxation Code § 6362, sales of periodicals "regularly issued at average intervals not exceeding three months" are exempt from sales tax. Sales and Use Tax Regulation Section 1590 (enclosed) defines "periodicals" as:

" ... those publications which appear at stated intervals, each issue of 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 of the series in the nature of the articles appearing in them. Each issue must be sufficiently similar in style and format to make it evident that it is one of a series."

The term "periodical" does not include 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."

According to your letter, "Insights" is published bi-annually. It would not, therefore, be eligible for the periodicals tax exemption as the intervals between issues exceed three months.

The "Foundation Newsletter" is issued quarterly and contains no advertising. Assuming that other issues follow a similar format, this publication would qualify as a tax exempt periodical. You may, therefore, draw up an exemption certificate for the "Foundation Newsletter" in the form set out in subdivision (c) of Regulation 1590. The certificate, along with

a copy of this letter, should be issued to your printer in order to make purchases without payment of tax. Similarly, you may issue the exemption certificate to any other vendors of tangible property which becomes a component part of the "Foundation Newsletter."

Please feel free to contact us again if you have further questions.

Sincerely,

Stella Levy  
Tax Counsel