



---

**STATE BOARD OF EQUALIZATION**

Sacramento  
September 14, 1951

E.H. Stetson

This is in answer to your memo of August 13 enclosing a copy of a memo from Auditor V.G. Robinson regarding permits for the City of [X]. In answer to the three question set forth therein, we advise as follows:

1. It is our opinion that all sales made by the City should be taken into consideration in determining whether sufficient sales are made to require a seller's permit, regardless of whether the sales are made in separate departments of the City. This, the general rule that three or more sales in a twelve-month period requires the holding of a seller's permit means, as applied to the City of [X] or any other cities, three or more sales irrespective of the fact that one or more of such sales is made by a different department of the City than made the other sales.
2. We believe that only one permit is necessary for the City on account of operations conducted within the City. Should the City engage in activities elsewhere, such as the operation of a commissary for employees at some area outside the City, a permit should be obtained for such location. If, however, the City desires separate permits for separate activities performed by the City within its limits, there would be no objection to accommodating the desires of the City in this instance.
3. We do not know of any reason to regard transfers between departments of a single city to constitute sales for purposes of the sales tax any more than in the case of transfers between State agencies, held by the Attorney General in an opinion issued a number of years ago not to constitute sales. The reasoning, equally applicable to cities, was that actually there was no change in ownership. The property would have been owned by the State before as well as after the transfer. The same would be true in the case of between departments of a single municipality, corporation, or other governmental entity.

EHS:ph