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REDACTED TEXT

This is in reply to your July 23, 1990 memorandum regarding questions that arose during a recent graphic arts seminar. Specifically, you noted the following questions:

“Question 1: Changes to R1541(f)(2), effective 2/10/89, amended the definition of ‘reproduction proof’ to include a copy of a reproduction proof. Would this change apply to PMTs (photomechanical transfers)? Are we correct to assume that typography created by the PMT method is exempt when not combined with artwork? As a related question, are PMTs the same as the diffusion transfer method?”

Yes, the amendment applies to transfers of a photomechanical transfer copy of the product of the type composition. In fact, the version of the amended regulation originally sent to interested parties on September 1, 1988, specifically mentioned the “photomechanical transfer method.” The November 10, 1988 notice to interested parties noted:

“Subdivisions (f)(2) and (f)(3) are amended to change the term ‘photomechanical transfer method’ to ‘diffusion transfer method’ since the term ‘photomechanical transfer method’ is a trademark name. The term ‘diffusion transfer method’ accurately describes the technical procedure used in the industry to make a photomechanical transfer.”

For purposes of the regulation, we should consider PMTs the same as copies made by the diffusion transfer method.

“Question 2: Would a UPC symbol (product bar code) be considered artwork when combined with typesetting?”

We do not believe that the product bar code should be considered artwork for purposes of the regulation. In other words, we believe that the transfer by a typographer of composed type combined with a product bar code is a nontaxable transfer of typography.

We hope this answers your questions; however, if you need further information, feel free to write again.

RLD:sr