

**STATE BOARD OF EQUALIZATION**

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Executive Director

July 8, 1996

Mr. G--- C---
C--- Printing Services
XXX North XX Street
---, CA XXXXX

**Re: C--- Printing Services
SR - XX-XXXXXX**

Dear Mr. C---:

This is in response to your letter of March 29, 1996. You believe that your sales of book covers qualify for the printed sales messages exemption from sales tax for the following reasons:

- “1. The book covers contain advertising for businesses which are advertising their goods and/or services to the students in the vicinity of the schools. Our client charges these businesses a fee for advertising.
- “2. The school receives the book covers free of charge and in turn provides the book covers free of charge to students.
- “3. The piece is shipped by our firm directly to the schools via UPS.
- “4. As applied the book cover contains over 50% advertising. Please note areas which are part of the inside binding do not contain advertising due to the visual disadvantage.”

As you know, there is an exemption provided for the sale and use of certain printed sales messages printed to the special order of the purchaser. The printed sales messages must be delivered by the seller, the seller's agent, or a mailing house, acting as the agent for the purchaser, through the United States Postal Service or by common carrier to any other person at no cost to that person who becomes the owner thereof. (Rev. & Tax. Code § 6379.5.) For purposes of this exemption, “printed sales messages” are defined as catalogs, letters, circulars, brochures and pamphlets which are printed for the principal purpose of advertising or promoting the sale of goods or services. (Id.)

The definition of a printed sales message is a narrow one and includes only those types of items listed in the exemption. (See Bus. Taxes L. Guide Annot. 432.0064 (8/9/93).) The book cover in question is not one of the forms listed in the exemption (i.e., a catalog, letter, circular, brochure, or pamphlet) and thus cannot qualify as a printed sales message within the meaning of section 6379.5. Thus, sales of the book covers do not qualify for the printed sales messages exemption.

If you have any further questions in regard to the matters contained herein, please do not hesitate to write again.

Yours very truly,

Anthony I. Picciano
Tax Counsel

AIP:cl

cc: Sacramento District Administrator