



STATE BOARD OF EQUALIZATION

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April 15, 1994

BURTON W. OLIVER
Executive Director

X-----

Dear X-----,

This is in response to your letter of February 25, 1994 in which you request our opinion as to whether a circular soliciting donations for X----- qualifies as a printed sales message for purposes of sales tax.

As you know, California Revenue and Taxation Code section 6379.5 does provide an exemption for sales and use of printed sales messages for goods and services. An item classified as a printed sales message must meet several other requirements to qualify for the exemption. The issue raised by your letter relates to whether the circulars soliciting donations are printed sales messages for goods and services.

Regulation 1541.5 limits the definition of a "printed sales message" to "catalogs, letters, circulars, brochures, and pamphlets printed for the principal purpose of advertising or promoting goods or services." "Campaign literature and other fund-raising materials" are specifically excluded from the definition of a "printed sales message" unless they meet the principal purpose of advertising or promoting goods or services.

As described in your letter, the solicitations sent by X----- are solicitations for donations. The donations will be used by X----- to purchase goods and services that it will in turn provide to those in need. The facts indicate that these solicitations are "fund-raising materials". The solicitations, therefore, can only be construed as a "printed sales message" if they meet the principal purpose of advertising or promoting goods or services. Once again, the facts are that these solicitations are requesting donations; they are not advertising or promoting any goods or services. As such, they are not printed sales messages.

While we appreciate your concerns and arguments as to why solicitations for donations by non-profit organizations should qualify as printed sales messages, the statutes and regulations, as they exist, do not support your view that these solicitations for donations are printed sales messages.

If you have any further questions, please feel free to write again.

Sincerely,,

Sukhwinder K. Dhanda
Staff Counsel

SKD:plh

Cc: X----- District Administrator