



STATE BOARD OF EQUALIZATION

September 2, 1954

C--- W--- Company
XXXX --- Street
--- ---, California

Your letter of July 27

Attention: Mr. A. C. H---

Account No. SR -- XX XXXXXX

Gentlemen:

You purchase government surplus houses and sell them. At the time of sale, they are still at their original site and the buyer is required to dismantle and remove. Some buyers do their own dismantling. Some hire another firm to do it for them and some ask you to do the dismantling. When you do the dismantling, you make an additional charge of \$200.00. You inquire concerning the application of sales tax to this additional charge.

The sales tax applies to the retailer's gross receipts from retail sales of tangible personal property. Where you perform the dismantling, we would regard you as selling a dismantled house. Tax applies to the entire charge and may not be reduced by itemizing it and showing a portion of the price as a charge for labor. Section 6012 of the Sales and Use Tax Law specifically makes subject to the sales tax any services that are part of the sale. Accordingly, you are correct in regarding the \$200.00 additional charge for dismantling as subject to the sales tax.

Yours very truly,

Bill Holden
Assistant Counsel

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cc: --- --- - Auditing