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**STATE BOARD OF EQUALIZATION**

March 29, 1951

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Gentlemen:

This is in answer to your letter of March 24 with respect to the application of the State sales tax to your charges for planing and ripping lumber furnished to you by your customers.

As indicated by Sales and Use Tax Ruling 15, copy enclosed, the tax applies to charges for producing, fabricating, or processing tangible personal property for consumers who furnish, directly or indirectly, the materials used. As planing and sawing of lumber is regarded as a step in the production or fabrication of the finished product, your charges for performing such operations upon lumber furnished to you by consumers will be subject to the tax.

If such operations are performed on lumber furnished to you by persons who will resell the finished lumber in the regular course of their business, the tax will not apply to your charges. In this case, you should obtain resale certificates from such persons indicating their seller's permit number.

Very truly yours,

R. G. Hamlin  
Tax Counsel

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