



STATE BOARD OF EQUALIZATION

January 2, 1951

Gentlemen:

This is in answer to your letter of December 20 with respect to the application of the State sales tax to your charge for manufacturing gloves from leather 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, either directly or indirectly, the materials used. Accordingly, the tax will apply to your charge for manufacturing gloves for consumers who furnish the leather from which the gloves are produced.

From the information in your letter it appears that you do not tan the hides furnished to you by your customers but you do state that they do not pay the tax with respect to the charges for tanning the hide. For your information, it is our opinion that the tax does apply to charges for tanning a hide for a consumer of the leather, pursuant to Ruling 15, as the tanning of the hide is a step in the process or series of operations resulting in the creation or production of tangible personal property, within the meaning of the second paragraph of said ruling.

Very truly yours,

R. G. HAMLIN
Associate Tax Counsel

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