



STATE BOARD OF EQUALIZATION

July 27, 1951

B--- P--- Company
XXX --- Street
--- --- X, Calif.

Attention: Mr. G. A. R---

Account No. B-XXX

Gentlemen:

This is in answer to your letter of July 6 concerning the application of the State sales tax with respect to engraving charges.

We advise that, in our opinion, the test of whether an article is a new or used article for the purposes of determining the taxability of engraving charges thereon is substantially this: The first or initial engraving on a trophy would appear to be properly regarded as performed on new merchandise. The addition of subsequent names of winners of contests or the like after the trophy has been on exhibit or otherwise devoted to the use for which it was ultimately intended would, in our opinion, constitute an engraving on used merchandise.

The application of the tax to charges for alteration work depends basically upon whether title to the article altered has passed to the customer before or after the alteration work is performed. In the example you give of a suit or uniform which is "returned for alterations", it would appear that title had passed and that the alteration work is, therefore, not taxable. The tax would be applicable, however, with respect to the cost to the person performing the alteration, of the thread, cloth, etc. used in the work.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:RW

Cc: Mr. B--- S---