



STATE BOARD OF EQUALIZATION

April 6, 1965

Gentlemen:

We have completed our review of your petition for redetermination of sales and use tax.

We have concluded that the charges deducted by your manufacturer-supplier in granting credit for the return of special order merchandise should be regarded as part of your cost of restocking and rehandling. Accordingly, all returned sales disallowed as a result of the retention of this amount will be deleted from the measure of tax.

A representative of the field audit staff will contact you in the near future to initiate the reaudit adjustment.

Very truly yours,

W. E. Burkett
Associate Tax Counsel

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