

STATE BOARD OF EQUALIZATION

OFFICE CORRESPONDENCE

490.0660

Date: Sacramento
July 18, 1957

To: Mr. H. A. Dickson

From: E. H. Stetson

Re: Service Guaranties on Automobiles

SR -- XX-XXXXXX

It is our opinion that the sale of the automobile guaranties issued by the U--- S--- G--- Corporation when made as part of the sale of the automobile it warrants should be treated for tax purposes in the same manner as are television warranties, that is, any amount charged for the warranty should be included in the taxable measure.

However, when the warranty is sold on a strictly optional basis, we do not believe the tax applies. The sale of parts by the repairman to the U--- S--- G--- Corporation should be considered as being made to a consumer and therefore taxable.

JJD:tl