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**STATE BOARD OF EQUALIZATION**

October 5, 1953

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Attention: X-----

Gentlemen:

We are not certain as to the exact nature of your inquiry.

However, we have assumed that the following is a statement of facts about which you are concerned. An Oregon distributor contracts to sell a truck in the regular course of his business to a person in Mexico City. The distributor is required to deliver the truck to the vendee and title to the truck will not pass to the vendee until the latter receives it, risk of loss being on the distributor during shipment. While the truck is being delivered, an additional part is purchased for it in this State and attached to the truck.

Assuming the above facts, the Oregon distributor may purchase the additional part ex tax for resale since the part is merely becoming a component part of tangible personal property to be sold by the purchaser in the regular course of his business. Therefore, the sale of the addition is not a taxable retail sale. See the second paragraph of Sales and Use Tax Ruling 14 (copy enclosed).

Accordingly, the Oregon distributor should furnish the supplier of the addition with a resale certificate in accordance with Ruling 68 (copy enclosed). As the Oregon distributor is not engaged in business in this State and does not maintain a place of business in this State, he may make an appropriate notation to that effect in lieu of a seller's permit number in accordance with the third paragraph of that ruling.

You realize that, if title to the truck was vested in the buyer prior to delivery to Mexico City, or, if the facts are otherwise different than we have assumed, there is a distinct possibility that other tax consequences are involved relating to possible use tax liability on the use of the truck in this State and relating to the possibility that the sale of the addition is a taxable retail sale.

Accordingly, if you have any further questions, we would appreciate it if you would outline the transaction in detail.

Yours very truly,

W. W. Mangels  
Assistant Counsel

WWM:ja

cc: Unit #7