



(916) 445-3723

June 7, 1990

Dear REDACTED TEXT,

This is in reply to your letter of May 24, 1990. You have sought to clarify the state sales tax status of your company, REDACTED TEXT.

The company was recently founded to perform property inspections for real estate transactions and to inform property owners of repairs needed to meet building code requirements.

All work inspections are done by licensed general building contractors. The inspectors do not do repair work on the property.

We are of the opinion that the charges you make to the clients are not subject to sales tax. You are performing a professional technical service, not selling tangible personal property, even though you may furnish written inspection reports to your clients. See our Regulation 1501, "Service Enterprises Generally," copy enclosed for your reference.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr

cc: Honorable William M. Bennett

bc: Mr. E. L. Sorensen, Jr.