



STATE BOARD OF EQUALIZATION

May 4, 1965

Gentlemen:

This is in reply to your letter of April 22, 1965 requesting clarification as to the application of sales tax to your charges, which you described generally as the writing of resumes. You give specific examples of the various transactions which result in your charges.

When the charge is primarily for the composition of the resume, with or without an interview with the customer, the tax does not, in our opinion, apply. Based on the breakdown of the charges as set out in your letter, we believe that if you furnish a single copy of the resume to your client, you may be regarded as the consumer of the small amount of paper and other tangible property which the client receives. This is particularly true in view of your statement that if the customer desires to have the resume printed elsewhere, your charge to him remains the same.

When, however, you merely copy resumes, including making corrections in spelling and punctuation, we believe that your charges are taxable as for the transfer of title to tangible personal property, or the producing, fabricating or processing of property for consumers, specifically defined as a sale in Section 6006(b) of the Sales and Use Tax Law. If all you turn over to your customer is single copies of individually hand-typed material, we would say you have not made a sale. In this connection see Sales Tax General Bulletin 57-18, copy enclosed. See also for the application of tax to printing in general, Ruling 24, copy enclosed.

The basic distinction in determining whether a particular transaction involves a "sale" or a "service" is one of true object of contract, i.e., is the real object sought by the buyer the "service" per se, or the finished article produced by the service? If the true object of the contract is the service per se, the transactions would be nontaxable even though some tangible personal property is transferred.

When what your customer desires is a resume, the true object of the contract would appear to be your services and skill in composing such a resume. On the other hand, when your customer desires

multiple copies of resumes, whether composed by you or others, plus corrections in spelling and punctuation, the true object of the contract would appear to be the copied resume as an article of property into which you contribute no creative ideas, but only your mechanical ability to produce copies. The fact that you make spelling and punctuation corrections in the process does not appear to us sufficient to change the basic object of the contract.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:fb
Encl.

cc: Long Beach – Subdist. Admin.