



**STATE BOARD OF EQUALIZATION**

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November 23, 1992

BURTON W. OLIVER  
*Executive Director*

Mr. Q--- D---  
XX --- Drive  
---, California XXXXX

Re: SR -- XX-XXXXXX

Dear Mr. D---:

You requested our opinion as to whether sales tax was due on charges made by you for conducting a land survey for your client. Sales or use tax is imposed on all charges related to the sale of tangible personal property except those charges specifically excludable from taxation by statute. Service providers are the consumers, not the retailers of tangible personal property.

As you described a typical survey transaction, you are engaged to visit a site, measure it with common civil engineering tools, and then prepare a drawing based on your field work. You then provide your client with a copy of the drawing.

Regulation 1501 discusses service enterprises generally (copy enclosed). Services are not normally subject to sales or use tax. The question often arises, however, as to the treatment of the transfer of tangible personal property which occurs incidentally with the service. If the service is the true object of the contract, there is no tax on the incidental transfer of personal property. If the tangible property is the true object, then a sales or use tax will be due on the total charge, without deduction for the service portion.

As an example, when an appraiser is engaged to appraise a parcel of real estate, the true object sought is a stated value. The fact that reaching the stated value is accomplished by a detailed report showing how the appraiser reached his opinion does not make the appraisal report a taxable piece of tangible personal property. If the appraiser became famous, and anything with his signature was in demand by autograph collectors, then the sale of one of his appraisal reports would be taxable, unless exempt for some other reason.

Mr. Q--- D---

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November 23, 1992  
515.0494

It is our opinion that a typical land survey as you described is a service, and the drawing which is provided is an incidental transfer of tangible personal property and not subject to a sales or use tax.

Sincerely yours,

Donald L. Fillman  
Tax Counsel

DLF:wk

Enclosure - Reg. 1501