

December 20, 1967

Gentlemen:

This is in regard to your letter of December 6 and the matters which were discussed at the conference held on December 7, which was attended by "W", Attorney at Law, "S", steel detailer of "D", Mr. Thomas Putnam, Tax Counsel, yourself, and the undersigned.

In discussing the type of work which is performed by steel detailers, "W" cited various articles in the American Institute of Steel Construction textbook of Structural Shop Drafting. Those citations indicated that the work of steel detailers does not merely consist of applying other persons' ideas and designs to paper in the form of drawings, but consists of developing and conceiving their own ideas and designs. "W" described the work which the steel detailer performs as involving the exercise of his own judgment in determining how the final structure will be put together. That is, the steel detailer develops and conceives the details for welded, riveted, or belted structural joints or "connections" which details have not previously been conceived or developed or designed by the architect or engineer who designed the basic structure.

"S"'s presentation consisted of exhibiting actual work drawings produced by steel detailers for steel fabricators. He explained the various factors which steel detailers must consider in conceiving and designing "connections". Some of the factors which he mentioned were:

1. Field construction conditions.
2. Construction techniques utilized by the particular fabricator.
3. Limitations imposed by the engineer's design.
4. Economy of construction.

He pointed out how specific ideas were actually developed by steel detailers as shown by drawings submitted to engineers by detailers and comments made on the drawings by the engineers.

We have reviewed the points which you raised in your letter, particularly with reference to the factual distinctions which you raised between the work of steel detailers and the work of a draftsman as described in Albers v. State Board of Equalization, 237 Cal. App. 2d 494.

The information which has been submitted by "W", "S", and yourself indicates to us that the architects' and engineers' designs are incomplete when received by the steel detailer and the detailer conceives and designs the details which complete the architects' and engineers' design of a structure. It appears that the steel detailer does not merely produce a drawing from information and data supplied to him, but rather he exercises his independent judgment in conceiving and dictating his own ideas and designs. In view of the foregoing, it is our opinion that the work performed by such detailers is properly characterized as a service, in the pursuit of which the detailers are consumers of tangible personal property which they utilize in such activity.

Accordingly, such detailers are not retailers of the drawings which they furnish to steel fabricators.

Very truly yours,

George A. Trigueros
Tax Counsel

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