

October 17, 1966

Attention: REDACTED TEXT

Gentlemen:

Mr. E. H. Stetson, Tax Counsel, is presently on vacation. In his absence, your letter of October 3, 1966, has been referred to me for answer.

Our understanding of your question is that you operate a machine used to stimulate high energy radiation pulses. Persons may bring samples to your plant for experimentation. In the process of providing this service, one or more operators are furnished by you. Technical advice as required, readings of radiation levels, use of two oscilloscopes, etc., are also furnished. As a result of the operation, there are no products or reports connected with the operation of the machine. There is no transfer of possession of any property by you. There is no fabrication or processing of customer furnished property. However, the customer does take advantage of the use of your facility to test his materials.

It is our opinion that what you provide is a nontaxable service. The only taxable transaction would be in the acquisition of the components of the machine. We assume that the proper tax has been previously paid with respect to the construction of the facility.

If you have further questions regarding this matter, feel free to inquire.

Very truly yours,

Jack D. Paulson
Associate Tax Counsel

JDP:ab

cc: Oakland – District Administrator