

May 26, 1955

Your letter of April 22 addressed to Harry L. Say, Sales Tax Administrator, concerning the sales tax liability of patent draftsmen, has been referred to the undersigned for reply.

As you point out, this matter has previously been considered in connection with the operations of a certain individual, Mr. REDACTED TEXT, engaged in this type of work. Following a review of the facts we reached the conclusion that the operations of Mr. REDACTED TEXT as a patent draftsman did not constitute him a retailer of tangible personal property. This information was transmitted to our District Tax Administrator in Los Angeles under date of December 10, 1952, in a memorandum which contained the following statement:

“The matter is undoubtedly a close question as are so many of the problems arising in connection with the making of maps, performance of engineering and other professional services, drafting work and the like. We believe the work of Mr. REDACTED TEXT falls on the side of the line representing essentially the performance of services rather than selling tangible personal property along with architects’ drawings, lawyers’ briefs, accountants’ financial statements, engineers’ reports, etc. Accordingly, it will not be necessary to take any further action with respect to Mr. REDACTED TEXT in so far as his work as a patent draftsman is concerned.”

Accordingly, no further action was taken toward making a determination of tax liability with respect to Mr. REDACTED TEXT work as a patent draftsman.

Very truly yours,

E. H. Stetson  
Tax Counsel