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**STATE BOARD OF EQUALIZATION**

June 18, 1954

Your letter of April 21

Attention:

Gentlemen:

You state that the \_\_\_\_\_ purchased from the Federal Government certain lands upon which had been constructed temporary buildings. The agency then sold the buildings, the buildings being removed from the land pursuant to the contract of sale. The agency desired to sell all the buildings in one lots to a single bidder. No bids of this type were received and the agency was forced to sell in groups of one to ten structures.

The Sales and Use Tax Law applies to retail sales of tangible personal property by persons engaged in the business of selling tangible personal property. A person may be engaged in the business of selling, even though it is not his primary activity and is merely incidental to some other activity.

Generally, we have regarded a person making three or more substantial sales of tangible personal property within a 12-month period as being in the business of selling tangible personal property. We understand that you fall within this definition. Accordingly, it will be necessary for you to pay sales tax on your gross receipts from the sales in question.

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| Taxable only if seller severs building from land. Reg. 1596(a). DJH 10/30/85 |
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Yours very truly,

Bill Holden  
Assistant Counsel