

**STATE BOARD OF EQUALIZATION**

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April 3, 1996

Mr. J--- . L---
Chief Financial Officer
---/T--- B--- I---
XXX --- Avenue
---, -- XXXXX

Dear Mr. L---:

This is in response to your letter of March 14, 1996.

We understand that T--- B--- I--- is a not-for-profit voluntary health welfare charitable organization dedicated to the mission of restoring sight and physical reconstruction through providing human cadaveric tissues to surgeons for transplantation. You operate in many locations throughout the United States, including four locations in California.

You asked for exemption from payment of California sales and use tax, on the basis that your organization has been determined to be a 501(c)(3) organization, exempt from income taxation by the Internal Revenue Service, and has been determined to be exempt from income taxation by the California Franchise Tax Board.

You understand that some national organizations have received exemption from California sales tax obligations.

California sales tax applies to sales made to your organization and to sales made by your organization. Unlike many other states, California does not have a sales tax exemption available to nonprofit, charitable, religious, educational, scientific, or similar organizations exempted from income tax. California Revenue and Taxation code section 6381 does provide a specific exemption for sales of tangible personal property to the American National Red Cross. That exemption is specific to that organization however.

Mr. J--- -, L---

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April 3, 1996
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We do note that California sales tax would not apply to fees charged by your organization with respect to transfers of cadaveric tissues to surgeons for transplantation. Such transactions are not regarded for California sales and use tax purposes as sales of tangible personal property.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr