



STATE BOARD OF EQUALIZATION

April 6, 1951

Gentlemen:

This is in answer to your letter of March 30 with respect to the measure of the California use tax with respect to a Cadillac which you purchased in Troy, New York, in November, 1950, for use in this State and which was severely damaged on the trip to California, prior to its entry into this State.

The California use tax is imposed on the storage, use, or other consumption of tangible personal property in this State which has been purchased from a retailer for such purpose under circumstances in which the California sales tax does not apply to the sale. The measure of the use tax is the sales price of the property to the purchaser. There is no provision in the Sales and Use Tax Law which permits a reduction in the measure of the tax because of a decrease in the value of the property between the time of its purchase and its use in this State. Therefore, the use tax will apply with respect to the full sales price of the \$3,695.00, notwithstanding the fact that the automobile was in need of repairs to the extent of \$2,000.00 at the time it arrived in this State.

We call your attention to the fact that the result would be the same if the automobile had been purchased in this State, as the transaction would then have been subject to the sales tax and no refund would be allowed because the damage occurred to the automobile subsequent to its sale.

Very truly yours,

R. G. HAMLIN
Tax Counsel

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