



STATE BOARD OF EQUALIZATION

August 31, 1950

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Gentlemen:

This is in answer to your letter of August 25 with respect to the application of the State sales tax to sales of repair parts and other items for use on watercraft operated by you for harvesting kelp.

The exemption relating to sales of tangible personal property becoming a component part of certain watercraft is governed by Sales and Use Tax Ruling 51.5, copy enclosed. As therein indicated, the tax does not apply with respect to sales of tangible personal property becoming a component part of watercraft for use in interstate or foreign commerce involving the transportation of persons or property for hire, or for use in deep sea fishing operations outside the territorial waters of this State. As the watercraft which you use in harvesting kelp is not engaged in interstate or foreign commerce involving the transportation of persons or property for hire or for use in commercial deep sea fishing operations, it appears that the sale of repair parts and other items used in the operation of such watercraft to you is subject to the tax.

Very truly yours,

R. G. Hamlin  
Associate Tax Counsel

RGH:HB

cc: W. R. Thomson