



STATE BOARD OF EQUALIZATION

October 4, 1956

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Attention: Mr. [H]

Gentlemen:

Your letter of July 31 addressed to the State Controller has been referred to this Board for reply.

The problem is the application of Los Angeles County sales or use tax to gasoline which you use for non-highway purposes. Ruling 2205, copy enclosed, sets forth in some detail two separate exemptions from the county tax. Part I of the ruling applies to public utilities which are regulated by the California Public Utilities Commission. We assume that you do not file tariffs with the California Public Utilities Commission and that you are therefore not entitled to the exemption set forth in Part I of Ruling 2205.

Part II of the Ruling applies to common carriers. To come within this sales tax exemption it must be demonstrated that the purchaser is a common carrier and that the property purchased is used principally outside the county of purchase.

From an examination of the report filed by our auditor in March of 1955, it appears that you are not a common carrier but own aircraft and lease them to companies which engage in business as common carriers. If your status has not changed in the meantime, you are not entitled to the common carrier exemption from local tax.

Very truly yours,

Bill Holden
Associate Tax Counsel
Tax Counsel

BH:cl

cc: State Controller
Division of Tax Collection and Refund'
Attention: Mr. [B]