

Audit Review (RN)

August 30, 1965

Tax Counsel (GAT)

Your letter of July 2, 1965 addressed to Mr. E. H. Stetson, has been referred to the undersigned for reply.

We have reviewed the correspondence which was submitted relative to sale of the business and of the equipment in question. We understand that business operations ceased in May 1962 and negotiations for the sale of the equipment continued until November 1964 when the sale was consummated.

Inasmuch as taxpayer apparently intended to sell the equipment in due course from the date of ceasing operations, it is our opinion that the sale was taxable as a sale of property held or used in the course of an activity requiring a seller's permit.

GAT:o'b [lb]