

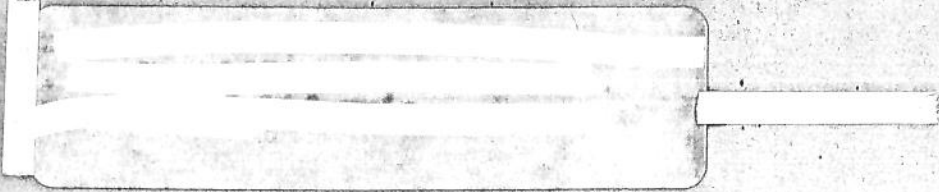
Index + Report
(EHS)

Sacramento
November 12, 1958

San Jose - Auditing

1612.30 Intangibles and Realty. Sales of intangible personal property and real property not being covered by the taxing provisions of the Sales and Use Tax Law, should not be considered included within the meaning of "property" as used in Section 6006.5(b). 11/12/58.

Headquarters - Sales Tax Counsel



In your letter of November 5 you indicate that after the transfer in question, the transferor corporation retained valuable operating rights.

We do not believe that intangible personal property is included within the meaning of "property" as used in paragraph (b) of Section 6006.5. We have considered that the word meant only tangible personal property, in view of the fact that the subject of this section is to define what sales of property are exempt as occasional sales under Section 6367.

As sales of intangible and real property are not covered by the taxing provisions of the Sales Tax Law, we do not believe that such property should be considered included within the scope of Section 6006.5. Therefore, it appears that the sale in question to [redacted], should be treated as an exempt occasional sale under paragraph (b) of Section 6006.5.

It is our opinion that the lease, a copy of which was attached to your memorandum of October 22, which was terminated on June 30, 1952, does not constitute a lease in lieu of a sale.

E. H. Stetson

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INDEX LETTER
Intangibles + Realty

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