



STATE BOARD OF EQUALIZATION

July 23, 1953

Gentlemen:

You request our advice as to the application of sales tax to the following transaction:

Oakland 'F' Company is a partnership composed of two partners each owning a 50% interest. In 1952 two corporations were formed, the stock of each of these corporations being owned equally by the two partners of the 'F' Co. partnership. In 1952 automotive equipment of the partnership was sold to the corporation for cash. Late in 1953 it is planned to sell all of the remaining assets of the partnership to one of the corporations.

In our opinion, the sale in 1953, under the facts which you state, would be a transfer of all or substantially all of the property held by the partnership in the course of an activity requiring a seller's permit and after the transfer the real or ultimate ownership of the property would be substantially similar to that which existed before the transfer. For this reason, that sale would appear to be an exempt occasional sale under section 6006.5(b) under the Sales and Use Tax Law.

The earlier sale of the automobile would not be an exempt occasional sale because a transfer was not of all or substantially all of the property held by the partnership.

If you have any further questions, please feel free to call upon us.

Very truly yours,

John H. Murray
Associate Tax Counsel

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