

Memorandum

395.1700

To: San Diego – Auditing (JHM)

Sacramento
May 17, 1962

From: Headquarters – Tax Counsel (WEB)

Subject: A--- Corporation
XXXX --- Street
---, California

In your letter of May 7, you inquire if a sale by a corporation would be exempt as an occasional sale under Section 6006.5 where substantially all of its working assets are transferred in a single transaction to three separate affiliated corporations having substantially the same ownership as the transferor which has made at least two other qualifying sales at retail in the preceding twelve-month period.

Since 1957, we have discarded the requirement of a single transferee where the transfers occurred as a single transaction and the requirements of substantially similar ownership are otherwise met.

It is our opinion that the transfer can qualify as an occasional sale under Section 6006.5 and the provisions of Ruling 81 provided substantially all of the property is transferred in a single transaction and the real or ultimate ownership of the transferee corporations are substantially similar in ownership to that of the transferor corporation.

WEB:ac

cc: Mr. E. H. Stetson – If you agree with the opinion expressed in my letter, then I believe the annotation at page 3522 “Sale to several corporations” should be removed from the supplement as it conflicts with this opinion.