



STATE BOARD OF EQUALIZATION

August 1, 1967

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Gentlemen:

In your letter of July 10, 1967, you ask whether tax was properly assessed on the transfer of an automobile to the winner of a contest when there had been sales tax paid on the prior transfer of the automobile to your organization.

As we understand the facts, the "C" purchased the automobile and reimbursed the automobile dealer for the sales tax levied on this transaction. A contest was then held during which time "C" used the automobile as a primary premium to engender interest in the contest. Upon the conclusion of the contest, the automobile was awarded to the winner. The original purchase by "C" took place in April, and the transfer to the contest winner took place in July.

Under this fact situation, the second transfer to the contest winner is not a taxable sale since she acquired it by chance or skill. There is no use tax liability because she received the car as a gift or premium and not through a purchase.

Therefore, if "O" has not yet paid the tax, she should file form BT-111. If she has paid the tax, she should file a claim for refund. Either of these forms can be obtained form 983 Sonoma Avenue, P.O. Box 730, Santa Rosa 95402, phone 542-2377.

If you have further questions, please feel free to write.

Very truly yours,

T. P. Putnam  
Tax Counsel

By A. Wells Petersen

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