

SALES AND USE TAX ON TRANSPORTATION CHARGES (RENUMBERED 8/70)

3574.5

California sales and use tax does not apply to separately-stated charges for transportation of property from the retailer's place of business or other point from which shipment is made directly to a place specified by the purchaser, except: (1) where the property is sold for a delivered price, or (2) where the property is delivered by facilities of the retailer.

The tax applies in the latter two circumstances unless the transportation occurs after title to property has passed to the purchaser and the charges for transportation are separately stated. In order to show that title passes prior to the transportation of goods, the intention of the parties in this regard must be expressed in some writing which constitutes a part of the contract of sale; otherwise, it will be assumed that title passes after the transportation is completed.