STATE BOARD OF EQUALIZATION POLICY PLANNING AND STANDARDS DIVISION 450 N STREET, MIC: 64, SACRAMENTO, CALIFORNIA (PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064) TELEPHONE (916) 445-4982 FAX (916) 323-8765



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E. L. SORENSEN, JR. Executive Directo No.99/39

August 11, 1999

TO COUNTY ASSESSORS:

STATE APPEALS COURT UPHOLDS RULE 152

In 1996, the Board amended Rule 152, Computer Program Storage Media, in order to clarify the term "basic operational program" used in sections 995 and 995.2 of the Revenue and Taxation Code. On July 28, 1999, the Second District Court of Appeal filed their opinion in the case of *Hahn, et al.* v. *State Board of Equalization; International Business Machines Corporation, Real Party in Interest* (B121612). Their opinion affirmed the trial court's judgment that upheld the 1996 amendments to Rule 152.

A copy of the opinion, which was certified for publication, is enclosed.

Sincerely,

/s/ Richard C. Johnson

Richard C. Johnson Deputy Director Property Taxes Department

RCJ:LF:cg Enclosures