

§ 48.4061(b)-3 Rebuilt, reconditioned, or repaired parts or accessories.

(a) *Rebuilt parts or accessories.* Rebuilding of automobile parts or accessories, as distinguished from reconditioning or repairing, constitutes manufacturing, and the rebuilder of such parts or accessories is liable for the tax imposed by section 4061(b) with respect to his sales of such rebuilt parts or accessories. Reboring or other machining, rewinding, and comparable major operations constitute rebuilding. The person owning the part or accessory being rebuilt is the manufacturer of the article and is liable for the tax on his sale of the rebuilt part or accessory. The tax attaches whether the machining or other operation is performed by the rebuilder himself or by some other person in his behalf. For example, the tax attaches with respect to sales of (1) rebuilt batteries, (2) rebabbited or machined connecting rods, (3) reassembled clutches after operations such as the resurfacing of clutch plates, (4) rewound armatures, (5) reassembled generators with armatures rewound by or for the person reassembling the generator, (6) reground or remetalized crankshafts, and (7) engines in which blocks are machined (such as cylinders rebored or new sleeves inserted with or without cylinders being rebored) or new blocks installed. For provisions relating to the sale price of rebuilt parts or accessories, see § 48.4062(b)-1.

(b) *Reconditioned parts or accessories.* The mere disassembling, cleaning, and reassembling (with any necessary replacements of worn parts) of automobile parts or accessories, such as fuel pumps, water pumps, carburetors, distributors, shock absorbers, windshield-wiper motors, brake shoes, clutch disks, voltage regulators, and other parts or accessories, are regarded as reconditioning operations rather than the manufacturing or production of rebuilt parts or accessories. The sale of a reconditioned part or accessory is not subject to tax if previous to the reconditioning there had been a prior sale of such part or accessory in the United States. Any new taxable parts or accessories produced, or purchased tax free for use in further manufacture, and used as replacements in recondi-

tioning such units are subject to tax when used by the reconditioner.

(c) *Repaired parts or accessories.* The tax does not apply to the amount paid for the repair of automobile parts or accessories for the owner thereof. Repairing consists of the restoration, whether by rebuilding or reconditioning, of an owner's part or accessory to usable condition for his own use rather than for sale. The person who performs the repairing must retain in his possession evidence or documents from which the nontaxable nature of the operation can be ascertained. Any person engaged in rebuilding parts or accessories for purposes of sale incurs liability for tax with respect to his own use of any part or accessory rebuilt by him for sale.

§ 48.4061-1 Temporary regulations with respect to floor stock refunds or credits on cement mixers.

(a) *In general*—(1) *Refund or credit.* Pub. L. 91-678 (84 Stat. 2062, Jan. 12, 1971) provides that if:

(i) A manufacturer, producer, or importer paid the tax imposed by section 4061 (relating to imposition of tax on motor vehicles) on the sale of a cement mixer after June 30, 1968, and before January 1, 1970, and

(ii) Such cement mixer was held by a dealer on January 1, 1970, for purposes of resale and was not used,

the manufacturer, producer, or importer is entitled to a credit or refund (without interest) of the amount of tax he paid on his sale of such cement mixer.

(2) *Time for filing claim.* The manufacturer, producer, or importer entitled to a credit or refund under subparagraph (1) of this paragraph shall file his claim for credit or refund on or before October 31, 1971, based upon a request submitted to the manufacturer, producer, or importer on or before July 31, 1971, by the dealer who held the cement mixer in respect of which the credit or refund is claimed. Before he files his claim for credit or refund, the manufacturer, producer, or importer shall either reimburse the dealer for the amount of tax he is claiming with respect to the cement mixer or obtain written consent from the dealer to claim such tax.