



STATE BOARD OF EQUALIZATION

April 13, 1954

C--- P--- Co., Inc.
P.O. Box XXX
---, California

Attention: Mr. W--- A. C---

Gentlemen:

Your letter of February 25 addressed to our Visalia office has been referred to this office for reply.

You inquire concerning the application of sales tax to the sale of paper tablecloths in rolls to cafes. They are used in place of cloth table covers and are used principally by cafes who cater to banquets. After one use they are discarded.

As indicated in the last paragraph of Section A of Ruling 53 (copy enclosed), the sale of paper napkins to a restaurant is a sale for resale and not subject to tax. The theory is that the restaurant resells the napkin as part of the meal. However, the napkin receives personal individual use by the diner. We think that the type of the use of the tablecloth by a diner is substantially different from the use of a paper napkin and that the tablecloth is used by the cafe rather than resold.

It is our opinion, therefore, that your sales of paper tablecloths to cafes are subject to the tax.

Very truly yours,

Bill Holden
Assistant Counsel

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cc: Fresno – Tax Administrator