



STATE BOARD OF EQUALIZATION

PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001
TELEPHONE (916) 445-6450

December 20, 1960

[T]
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--- --- X, California

Attention: Mr. [T]
Comptroller

-- - XXXXXX

Gentlemen:

This is to advise you that you are correct in concluding that sales of bisulfite to restaurants for fixing peeled potatoes so as to retard discoloration are exempt from sales tax on the basis that the compound becomes incorporated into the potatoes. From what is said in your letter of December 14, it would appear that your product "Sun-Blast Vegewhite" would also fall in this category.

You will recall that in our letter of March 19, 1958, we advised you that we were unable to determine whether or not "Vegewhite" became a part of the potatoes and whether or not it would be dissipated in the cooking process. For that reason, we were not able to give you a ruling on the particular product.

To the extent that you return to your customers the sales tax reimbursement which you have collected from them, it would be proper for you to submit a written claim for refund to the Board. The claim will, of course, be subject to verification.

J. J. Delaney
Associate Tax counsel

cc: --- --- - administrator



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PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001
TELEPHONE (916) 445-6450

May 9, 1961

[C]
Office of the Executive Secretary
XXX --- ---
--- --- X, California

--- XXXXX
Now: S- -- XX-XXXXXX

Attention: []
Executive Secretary

Gentlemen:

This is in reply to your letter of April 28, 1961, to Mr. H. A. Dickson who referred it to us for reply.

You submitted a tentative list of taxable and nontaxable food products for our approval. Only two items should be deleted from the list. Bisulfite is not an exempt food product. It is used on potatoes to preserve whiteness. Its sale to a processor is not subject to the tax where the potatoes will be resold, but its sale to a consumer is subject to tax. Seneca Apple Ade is an exempt food product.

We have investigated sherbet with the Department of Agriculture, and they inform us that in order to label an item as "sherbet," the manufacturer must incorporate in it milk or milk products. The 50% figure mentioned by Mr. Dickson is no longer a proper test. Since sherbet must be composed of some milk or milk products, we are of the opinion it is an exempt food product.

Very truly yours,

E. H. Stetsen
Tax Counsel