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**STATE BOARD OF EQUALIZATION**

April 27, 1964

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Gentlemen:

This is in reply to your letter of April 20 in which you ask whether your purchases of diatomaceous earth filtering agent are subject to the sales tax.

Since the diatomaceous earth is used in your water treatment plant to filter the water after it is treated and before it enters your distribution system, the diatomaceous earth constitutes tangible personal property purchased for processing a product rather than for resale. As we understand the use of diatomaceous earth as a filtering agent for water, the earth does not dissolve or become part of the water but serves only to remove impurities. Consequently, the sale of the diatomaceous earth to you is subject to the sales tax.

Ruling 14 covers this problem, and we are enclosing a copy for your inspection.

You may be interested to know that Mr. Dixwell L. Pierce has retired and Mr. H. F. Freeman has taken his place as Executive Secretary to the State Board of Equalization.

Very truly yours,

E. H. Stetson  
Tax Counsel

PRD/EHS:md [1b]