



STATE BOARD OF EQUALIZATION

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October 6, 1955

Mr. [E]
Attorney at Law
XXX --- ---
--- --- XX, California

Your letters of June 3 and July 8
Account No. -- - XXXXXX
[ES]

Dear Mr. [E]:

As a result of a recent audit our San Francisco office has recommended an assessment of additional sales tax against your client based on \$27,462.33 worth of sales of [W] Curing Salt to butchers for curing meat.

You contend that such sales are exempt as "food products for human consumption" and also as sales for resale. It seems clear that the real question is whether the product becomes a permanent ingredient of the meat. If it does, both exemptions are applicable, and if it does not, neither exemption is applicable.

We understand that a saline solution in meat kills some types of bacteria and inhibits the growth of many other types of bacteria. Some salt stays in the meat and provides a continuous protection to the meat from bacterial growth although this protection is not perfect. The modern practice is to use salting in conjunction with canning or low temperatures to preserve meat. This allows the meat processor to use less salt and in actual practice the amount of salt used is usually determined by the taste desired in the finished product.

Sodium nitrate and sodium nitrite are used in the solution to form nitrous acid which combines chemically with the meat to fix a bright red color in the meat. Unlike uncured meat, this color is relatively permanent and cooking is not likely to produce a brown color.

In the curing process, it is assumed that a fairly large amount of the [W] Curing Salt does not become permanently incorporated into the meat but is lost or discarded. Nevertheless we think this is not important. The critical factor is whether this product is purchased for the purpose of being incorporated into the meat. If this is the purpose, it is not significant that the process used entails a large amount of waste.

Mr. [E]

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We think that [W] Curing Salt is permanently incorporated into the meat and that this product is purchased for that purpose. Accordingly, all sales are exempt both as sales of a food product for human consumption and as sales for resale. Your client's returns will be accepted as correct as filed.

Very truly yours,

Bill Holden
Associate Tax Counsel

BH:bk

cc: San Francisco - Auditing