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**STATE BOARD OF EQUALIZATION**

May 21, 1962

The City of [S]

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California

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Attention: Mr. L. D. P---  
Auditing Division Supervisor

Gentlemen:

After receiving your letter of April 18, 1962, and consulting with Mr. T--- of your office, who was in Sacramento last month, our Mr. Knowles referred the matter of the use of chemicals in water purification to Dr. C. R--- H--- of --- State College.

Only two chemicals remained in dispute, as we understand the situation. These are ferric sulphate and sodium hexametaphosphate. As to the former, Dr. H---'s letter to us states:

“1. Ferric (iron) sulphate is added to the water to generate a voluminous precipitate (called a ‘floc’) which has the beneficial effect of trapping finely divided, suspended particles. The iron which does not precipitate remains in the water as an undesirable substance. The recommended maximum limits of iron and manganese together is 0.3 parts per million according to the Public Health Service.

“As to the water of crystallization in the ferric sulphate purchased, this is not a necessary component of the compound for the purpose for which it is used and is obviously not what you are paying for when you buy the compound. I believe you on firm, factual grounds in your opinion concerning this compound.”

Accordingly, it is our opinion that your claim for refund as to this chemical should be disallowed.

As to sodium hexametaphosphate, Dr. H--- calls our attention to the fact that it improves water for consumption in that it prevents calcium from reacting with soap and often is added to the water as a way of “softening” it. He states that it is a “valuable, incorporated component of the water sold.” We will, accordingly, approve a refund of tax paid with respect to purchases of this chemical.

Dr. H--- also mentioned that lime and soda ash are added to water to aid in the removal of calcium and magnesium by raising the pH. Since the sodium hydroxide ion has the virtue of keeping the water slightly alkaline, we believe you may properly treat it as purchased for resale and we will instruct our Petitions Unit that your claim for refund on these items should be allowed.

Very truly yours,

E. H. Stetson  
Tax Counsel

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cc: --- --- -- Tax Administrator