

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA  
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)  
916/445-3237

December 6, 1979

Mr. G--- G---  
The W--- H---  
XXXX --- Avenue  
--- ---, CA XXXXX

SR -- XX XXXXXX

Dear Mr. G---:

Your letter of August 24, 1979 to our West Los Angeles office has been referred to the legal staff for reply. We apologize for our delay in answering your letter.

You have requested our opinion as to the correct application of tax to a program you are initiating. As we understand it, The W--- H--- is a retail wine and beer shop. This fall, in addition to your regular selling activities you plan to present a series of educational wine tastings and seminars at your store. At each seminar you will present a 45 minute lecture dealing with the history and love of wine production and grape growing. Afterwards you will offer a comparative tasting of 8-12 wines. Wines will be served in one to two ounce portions to each student during the course of the evening. The wines will come from the store inventory. The fee for the seminars will be from \$10 to \$25 per student per evening. The value of the wines tested in each seminar will be in the range of 25-40 percent of the total price charged for each seminar.

For purposes of analysis we will assume that all of the wines served at the seminar will have been purchased ex-tax under a resale certificate. We are of the opinion that the measure of tax should be a percentage of the total price of the seminars. As such, you should report and pay tax on the wine on this pro-rated basis. Please call or write Mr. Art Brown at our West Los Angeles office, 11870 Santa Monica Blvd., Los Angeles, CA (213) 879-0600 in regard to the exact measure of tax to be reported.

Very truly yours,

Mary C. Armstrong  
Staff Counsel

MCA:ba