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**STATE BOARD OF EQUALIZATION**

March 4, 1954

E. I. --- N--- & Company  
Incorporated  
XXXX --- Street  
--- XX, ---

Your letter of December 22,  
1953  
Account No. OS-X-1959

Attention: Mr. D. F. M---, II  
Legal Department

Gentlemen:

You inquire concerning the application of tax to your sales of "A---" ---, a rubber chemical, to rubber companies as a mold release agent for molded rubber products such as tires. "A---" --- is sprayed on the mold as a lubricant to free the rubber product from the mold after the rubber has been processed. However the "A---" --- adheres to the rubber and is present as a film on the finished rubber product.

Ruling 14 states the tax does not apply to property purchased "fore the purpose of being incorporated into a manufactured article to be sold. Since you state that "A---" --- is purchased primarily as a lubricant, it is our opinion that it is purchased for the purpose of use in manufacturing and not for the purpose of being incorporated into the article to be sold.

Ruling 14 is based on Section 6007 of the Revenue and Taxation Code which defines the term "retail sale" as "as sale for any purpose other than resale in the regular course of business." Since "A---" --- is sold for some purpose other than or in addition to resale, namely as a lubricant, your sale is at retail and subject to the tax.

Very truly yours,

Bill Holden  
Assistant Counsel

BH:ja

cc: New York