



440.3260

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

July 30, 1954

REDACTED TEXT

Attention: REDACTED TEXT

Gentlemen:

Your letter of May 24, 1954, to Mr. Harry L. Say has been referred to me for reply.

The information which you present indicates that corn steep liquor and crude milk sugar (lactose) purchased by you for the production of penicillin become component parts of the penicillin. It also appears that these items are purchased for the purpose of providing essential ingredients for the production of penicillin. Accordingly, sales or use tax should not apply to your purchases of these articles when used in the production of penicillin for resale.

An examination of our file shows that on July 9, 1954, we mailed to you a notice of determination under the Sales and Use Tax Law which apparently includes in the measure of tax, as self-consumed merchandise, your purchases of corn steep liquor and crude milk sugar during the period of the audit.

This determination will become final August 8, 1954. We suggest that you file a petition for redetermination before that date. This petition may be in letter form and should be addressed to this Board. Your letter of May 24, since it was mailed prior to the issuance of the notice of determination cannot be considered as a petition for redetermination.

Yours very truly,

John H. Murray
Associate Tax Counsel

JHM:ja

Cc: Oakland – Auditing