



STATE BOARD OF EQUALIZATION

September 26, 1952

B--- Company
XXXX --- --- Street
---, California

Attention: Mr. C. B. C---
Comptroller

Account No. X-XXXXXX

Gentlemen:

This is in answer to your letters of September 3 and September 16 in which you inquire as to the application of the sales tax with respect to sales made by you of soda ash, borax, fungicides, and waxes to fruit packing houses.

It appears that all of these products are used by such packing companies in the preparation of fruit and vegetables for sale. You state that certain of these companies feel that these chemical products become a component part of the fruit and vegetables and should be regarded as sold to them for resale.

However, we do not regard soda ash or borax which is sold to such fruit packing companies as being purchased for the purpose of physically incorporating them into the manufactured article to be sold within the meaning of Sales and Use Tax Ruling 14, copy enclosed. We understand that soda ash is added at the packing house to act as a cleansing agent which cleanses the fruit of impurities found on the fruit at the packing house, not being added for the purpose of incorporation.

It is also our understanding that borax is used primarily as a fungicide to destroy fungus spores which have accumulated on the fruit prior to its arrival at the packing house. While some borax remains on the fruit to protect it after its departure from the packing house, it is our understanding that most of the borax performs the function of removing existing spores and during the process goes off into a bath rather than permanently becoming a part of the fruit. Inasmuch as Section 6007 of the California Revenue and Taxation Code defines, in part, a retail sale as a sale for any purpose other than resale in the regular course of business, it is our opinion that the sale of borax to the packing house constitutes a taxable retail sale.

B--- Company
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440.3620

If you have any further questions we shall be happy to endeavor to answer them.

Very truly yours,

W. W. Mangels
Assistant Counsel

WWM:ph

cc: --- --- – District Administrator