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**STATE BOARD OF EQUALIZATION**

Sacramento  
October 27, 1959

E. H. Stetson

Account \_\_\_\_\_

Inasmuch as civilian post restaurants are now regarded as agencies or instrumentalities of the United States (see my memorandum to you dated May 26, 1959, regarding account E-35045), it is recommended that the determination against the \_\_\_\_\_, \_\_\_\_\_ Air Force Base, dated July 16, 1957, be cancelled. Although our memorandum of May 26, 1959, mentioned above, states that it does not apply with respect to sales by post restaurants and cafeteria associations organized and operated under regulations of the armed services, it has now been concluded that sales by these organizations, as well as sales to them, are exempt from the tax.

No refunds are to be approved, however, with respect to sales tax paid on sales of cigarettes by the organizations.