

STATE BOARD OF EQUALIZATION

OFFICE CORRESPONDENCE

550.0980

Sacramento
November 5, 1952

To: San Diego – Auditing (JHMcC)
From: Headquarters – Sales Tax Counsel

Re: B--- B--- C---
XXXX --- --- ---
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Account No. F-XXXXXX

The second paragraph of page 2 of your letter of October 27 to B--- B--- C---, if we clearly understand your meaning, appears to be not entirely correct.

You state that if meals are served less frequently than once a week, the club could give to the caterer a resale certificate. If meals are served less frequently than once a week by a social club or fraternal organization, it is our opinion that under Ruling 53(D) the club is regarded as the consumer of the food and could not give a resale certificate.

The application of the tax to the caterer's charges to the club would then depend upon whether the meals were sold or simply food products from which the club and not the caterer prepared and served the meals.

E. H. Stetson

EHS:ph