



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)
(916) 445-5550

February 28, 1963

G---, M--- & W---
Certified Public Accountants
City National Bank Building
XXX North --- Drive
---, California

Attention: Mr. R--- J. M---

Account --- - XXXXX
Now: SY -- XX XXXXXX
S--- R---
F--- Ch.
DBA: J--- Café

Gentlemen:

This is in reply to your inquiry of February 11 as to whether or not meals sold by your client would be exempt from sales tax under section 6363.5 of the law.

This provision was enacted in 1961 by the Legislature in order to exempt from the tax meals served by any religious organization at a social or other gathering conducted by it or under its auspices. However, the operation by your client of a café, open to the public on a regular continuing basis, cannot be regarded as the conduction of a social or other gathering. If the Legislature had intended to exempt meals served by church operated cafes which compete with other cafes serving the general public, it would not have limited the exemption to meals served at "social or other gatherings."

Accordingly, we are of the opinion sales tax will continue to apply to meals served by your client in its cafes which are open to the public on a regular, continuing basis.

Very truly yours,

Charles C. Kobayaschi
Attorney

CCK:hef

cc: Hollywood – Subdistrict Administrator