



STATE BOARD OF EQUALIZATION

April 15, 1954

J. N. H--- & C---
XXXXX --- --- ---
---, California

Your letter of March 16
Account No. -- XX XXXXXX

Gentlemen:

You inquire concerning the application of sales tax to sales of oats, barley, and hay for work horses. The horses are engaged principally in plowing for cultivation of food products for human consumption or feed for animals the products of which become food for human consumption.

Sales tax applies to a retailer's gross receipts from retail sales of tangible personal property other than the gross receipts from sales which are specifically exempt. The feed exemption is explained in Ruling 47 (copy enclosed). As indicated therein, the feed exemption is limited to feed for animals of a kind the products of which ordinarily constitute food for human consumption or for animals the products of which are to be sold in the regular course of business.

Since horse flesh does not ordinarily constitute food for human consumption and since the owners of the work horses are using the horses rather than breeding them for sale in the regular course of business, the feed exemption does not apply to the sales in question.

Very truly yours,

Bill Holden
Assistant Counsel

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cc: --- --- - Auditing