



STATE BOARD OF EQUALIZATION

June 23, 1950

Gentlemen:

This is in answer to your letter of June 20 with respect to the application of the State sales tax to your sales of petrolatum, mineral oil, and carmel coloring to bakeries.

Section 6007 defines a retail sale to mean "a sale for any purpose other than resale in the regular course of business in the form of tangible personal property." As the petrolatum and mineral oil are sold to the bakeries for the purpose of lubricating the equipment and facilities used in the production of the finished bakery products, it appears that they are sold for a purpose other than resale. Thus, we regard such sales as retail sales subject to the tax regardless of the fact that some part of the lubricant may be picked up by the raw dough and becomes an ingredient thereof.

As indicated by Sales and Use Tax Ruling 52, copy enclosed, coloring extracts are not regarded as food products for purposes of the sales tax. Accordingly, the tax will apply to the retail sale of carmel coloring. Where, however, the carmel coloring is sold to a bakery for use as a component part of bakery goods sold by the bakery, the sale is exempt as a sale for resale, as indicated by Ruling 14, copy enclosed.

Very truly yours,

R. G. Hamlin
Associate Tax Counsel

RGH:hb