



STATE BOARD OF EQUALIZATION

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

January 29, 1975

Mr. R--- S---
Chief Accountant
B--- Hospital
XXXX --- Road
--- ---, California XXXXX

Dear Mr. S---:

Re: SR --- XX XXXXXX

Your letter of December 17, 1974, addressed to Mr. Verne Ferreira of our Oakland office has been referred to this office for consideration in accordance with your request.

You have raised a question as to the proper application of the tax to menus purchased for use in your dietary department. You are of the opinion that the menus may be purchased without payment of tax on the grounds that the menus are placed on patient trays when the meal is served and are disposed of when the tray is picked up, when the patient is finished with his or her meal. You state that it is your understanding that such use qualifies menus for exemption under Regulation 1503 of the State Board of Equalization as a non-reusable item which becomes a component part of a meal.

We are of the opinion that the menus in question do not "become components of meals or food products...furnished or served to patients or inmates" within the meaning of that language as it is used in Regulation 1503. The menu is used by the hospital to communicate to the patient the next day's planned meals. The patient selects the items which he or she desires for the following day's meals. We are of the opinion that the institution itself is the consumer of the menus which are the means by which the patient indicates his or her choice of meals to the dietary staff for the following day.

Mr. R--- S---
SR --- XX XXXXXX

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January 29, 1975
300.0070

Very truly yours,

Gary J. Jugum
Tax Counsel

j:alicetilton

bc: Audit Review and Refunds (CHF)
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