

**M e m o r a n d u m****390.0400**

To: J. B. Caldwell  
Fresno – District Administrator

November 17, 1975

From: Headquarters – Legal (DJH)

Subject: Charitable Organizations – Wine Tasting Parties

We are replying to your memo of 13 November 1975 regarding your policy of taxing the entire charge for a wine tasting party unless it can be demonstrated that the wine consumed by the donor or ticket purchaser is insignificant in relation to the price of admission or a separate charge is made for the wine.

We agree with your policy. It coincides with the advise given in the Fund Raising Sales Tax Guide for PTAs (Pamphlet No. 18, October 1975) and given to taxpayers by the legal staff in the past. Admittedly, it is subject to reasonable attack, but we believe it is a legally supportable position.

In cases in which only a fixed minimum donation is required, but the donation may be higher on a voluntary basis, we tax only the amount of the minimum donation required to receive the tangible personal property. And in political fund raising, where \$250 may be paid for a chicken dinner, we tax only the fair retail selling price of the dinner. But we believe both of these situations are within a reasonable interpretation of your policy as above stated.

DJH:rt

cc: J. D. Dotson  
G. Rigby  
D. Pardun