

M e m o r a n d u m**440.1920**

To: San Francisco Auditing (ESA)

Sacramento
May 13, 1959

From: Headquarters – Sales Tax Counsel (GAT)

Subject: --- Brands Incorporated
--- --- Avenue
--- ---, New YorkXXX --- Avenue
--- ---, California

Account OS-B-Y-XXXX

This is in reply to your Memo of April 30 regarding the products Arkady and Fermaloid Dough Improvers.

We have examined the F--- Bulletin which described these two products and explained that their function in the manufacture of bakery products. The bulletin is returned herewith.

These product are added to dough and affect the activity of the yeast in the dough in such a manner that certain desirable characteristics are imparted to the dough, e.g., improved extensibility, greater loaf volume, finer grain, etc.

It appears that Arkady and Fermaloid, when used by bakeries, become an ingredient of bakery products which they sell. It is, therefore, our opinion that tax does not apply to the sale of such Dough Improvers to bakeries, and that the bakeries may properly purchase such items for resale.

George A. Trigueros

GAT:o'b

cc: --- --- (SS)