



STATE BOARD OF EQUALIZATION

April 13, 1954

Your letter of April 5

Mr. J--- -, N---
XXXX ---
---, California

Dear Mr. N---:

You state that you intend to sell ground steer manure to chicken raisers. The manure will not be used as a fertilizer but will be put in the chicken houses. We assume that it will serve as a litter. You add that chickens normally consume at least 65% of the manure which is spread in the houses. You state that the manure has food value for the chickens and you inquire whether sales of this item will be taxable.

We are of the opinion that this product is not a feed within the meaning of Section 6358(b) of the California Sales and Use Tax Law Ruling 47, copy enclosed. First, it is apparently not sold solely for the purpose of consumption by the chickens since it also serves as a bedding. Second, while we do not administer the requirements set forth in the California Agricultural Code, we believe there is some question as to the propriety under that code of advertising and labeling such a product as a food. Third, we believe that any food value that the chickens may acquire therefrom is purely incidental. Should you acquire authority to advertise and label this product as a feed, we shall, however, give further consideration to your problem.

Therefore, you should report and pay sales tax on your sales of this product. You should apply for a seller's permit at our Los Angeles office, 357 South Hill Street, telephone Madison 6-6381. A representative of that office will answer any further questions you may have relating to the application of the tax, computation thereof, filing of returns and other pertinent matters.

We would also suggest that you write a letter to the State Department of Agriculture, Bureau of Field Crops, 1125 10th Street, Sacramento, California, and outline the nature of your activity to that agency which administers certain provisions of the State Agricultural Code.

Very truly yours,

W. W. Mangels
Assistant Counsel

WWM:tj

cc: Los Angeles - Auditing