

**STATE BOARD OF EQUALIZATION**

**OFFICE CORRESPONDENCE**

**110.0940**

Sacramento  
April 26, 1951

To: Mr. C. L. Collins

Re: D--- G. & W--- W. P---  
W--- G--- & M--- Co.  
X<sup>th</sup> & --- Streets  
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Acct. B-XXXXXX

The field audit report dated January 12, 1951, covering an audit of the above taxpayer for the period January 1, 1948 to September 30, 1950, has been referred to me for an opinion with respect to the application of the tax to sales of Poultry Flushing Mash and of a special mix of Purina Grow-Chow and Chek-R-Ton.

The question of the application of the tax with respect to sales of poultry feeds containing drugs and other non-nutritive ingredients has been the subject of several recent discussions between members of the staff of this office and representatives of the industry. After fully exploring the nature of such feeds and purposes for which they are used, it is our conclusion that when poultry and animal feeds are fortified with drugs or other non-nutritive ingredients which are added for the purpose of preventing and controlling disease, the feed will not lose its status as such.

On the other hand, if the mixture is labeled and sold for the specific treatment or cure of disease, the product will not be regarded as a feed.

Applying the above rule to each of the products herein involved it is our opinion that they constitute feeds, within the meaning of Ruling 47. Accordingly, the gross receipts from the sale of such products should not be included in the measure of the tax to be determined against the taxpayer.

RGH:HB