

STATE BOARD OF EQUALIZATION

OFFICE CORRESPONDENCE

110.1100

Sacramento
May 18, 1956

To: Stockton – Compliance (ETB)
From: Headquarters – Sales Tax Counsel (BH:JJD)

Re: L--- D--- Company
XXX --- ---
--- ---, California

Account No. K-XXXXXX

We regret the delay in replying to your inquiry of December 5, 1955, concerning the taxing of sales of Pomace processed with molasses.

You stated that this office has held sales of Pomace to farmers as a taxable transaction. This is true when the Pomace is sold as a soil conditioner. However, we have been advised by the Department of Agriculture that Pomace is used as roughage for cattle and that it does have nutritive value depending on the degree to which it is processed.

It is our opinion that the sale of Pomace as a feed would be exempt. The addition of molasses would, of course, bolster the argument for exemption.

Bill Holden

JJD:tl