

M e m o r a n d u m**175.0060**

To: Out-of-State – Compliance (DLF)

May 19, 1965

From: Tax Counsel (PM)

Subject: --- --- ---

This is in reply to your memo of April 30 concerning the question of whether the above company is required to register with the Board.

Briefly, the company is engaged in the business of selling maple syrup, maple sugar and candy. It maintains an inventory of syrups in a Los Angeles warehouse, all sales from such inventory being sales for resale. Apparently all sales of candy are made in interstate commerce from Vermont.

Under these circumstances, it is our opinion that the company is required to register with the Board and collect the use tax on sales of candy to California consumers. It has been our position that Section 6203 does not require a connection between the local place of business and the transactions which give rise to the liability for use tax. Accordingly, we do not believe it is material that only exempt food products are stored in the California warehouse (though a seller's permit could not be required), or that the inventory items maintained in the warehouse are sold for resale. The company is nevertheless a "retailer" of candy with a place of business in this state.

PM:o'b [1b]