



STATE BOARD OF EQUALIZATION

(916) 445-3723

May 31, 1990

Mrs. [B]
Chief Executive Officer
[B]
XXXX --- --- #X
--- ---, CA XXXXX

Dear Mrs. [B]:

This is in response to your letter of May 9, 1990. You have inquired as to whether sales tax applies to your sales of Calistoga Juice. Calistoga Juice is a carbonated product, which contains natural fruit juices.

Under Revenue and Taxation Code section 6359 and our Regulation 1602, "Food Products," sales tax does not apply to retail sales of property classified as "food products". However, the term "food products" does not include carbonated beverages. Calistoga Juice is classified as a carbonated beverage, even though it is made with natural fruit juices. Thus, your sales of Calistoga Juice are subject to tax.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr