



STATE BOARD OF EQUALIZATION

(916) 445-3723

May 9, 1991

Mr. T--- C. L---
Manager
Tax Department
P--- Company
XX --- ---
--- ---, CA XXXXX

SN -- XX-XXXXXX

Dear Mr. L---:

This is in response to your letter of April 29, 1991.

You have sought our confirmation of your analysis that the sale of Compressed Natural Gas (CNG) delivered through a P--- Company distribution system to a fueling station for sale to consumers as motor vehicle fuel remains exempt under section 6353 of the Sales and Use Tax Law. You have furnished us with a Natural Gas Vehicle (NGV) Compressor Station Flow Diagram illustrating the distribution sequence from gas line to public dispenser.

You note that on January 11, 1991, Principal Tax Auditor Glenn A. Bystrom confirmed to [S-1] Company that the exemption is available under the circumstances described. On March 18, 1991, Mr. Bystrom extended the same advice to [S-2] Company.

It is our opinion that the exemption in question applies under the circumstances described. The exemption would be available to P--- Company. This letter constitutes written advice of the type contemplated by section 6596 of the Sales and Use Tax Law.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr

cc: Mr. Glenn A. Bystrom