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**STATE BOARD OF EQUALIZATION**

November 17, 1954

Your letter of October 19

Mr. C. E. T---  
XXXX XX<sup>th</sup> Street  
--- ---, California

Dear Mr. T---:

In the manufacture of large dimension pipe by electric welding, a flux is used on the weld which becomes a waste slag. A process has been developed to return this slag to its original ofrm by heating and crushing. Each manufacturer's lot of slag will be kept as a separate unit without mixing it with any other lot. No material is added.

It is our opinion that the charge made for this work would be regarded as a charge for reconditioning and would not be subject to sales tax. See Ruling 26 (copy enclosed). Note, however, that, if different customer's lots of slag were commingled, tax would apply on the entire charge pursuant to the last paragraph of Ruling 26.

Yours very truly,

Bill Holden  
Assistant Counsel

BH:ja

cc: San Francisco - Auditing