

**STATE BOARD OF EQUALIZATION**

(916) 445-6557

October 19, 1977

Dear Mr. X-----,

This is in response to your letter of October 3, 1977, concerning your sales of Zero Pack to exporters.

We understand that Zero Pack is a solution of various chemicals, sealed in polyfilm bags, which may be frozen and used to help maintain a chilled atmosphere for preserving perishable goods. It may be refrozen and reused numerous times. You ask whether your sales of Zero Pack to persons who use it in exporting frozen foods are exempt from tax.

Subdivision (b)(1) of Regulation 1630, copy enclosed, provides that tax applies to sales to shippers of products used in conditioning the goods to be shipped, or to preserve and protect the goods during transportation. In your case, it appears that the exporters use Zero Pack both in shipping their goods from points inside this state, and also in storing their products in this state prior to shipment. Therefore your sales of Zero Pack to the exporters are subject to tax.

The exemption for ice and dry ice, which is outlined in subdivision (b)(1)(B) of the regulation, does not apply to Zero Pack. "Ice" means "frozen water", and in our opinion Zero Pack does not come within this definition.

Very truly yours,

James E. Mahler  
Tax CounselJEM/vs  
Enclosure

bc: San Diego – District Administrator