

**M e m o r a n d u m****435.0540**

To: --- – District Tax Administrator

Sacramento  
June 12, 1957

From: Headquarters – Sales Tax Counsel (EHS:JDP)

Subject: E--- U---, Inc.  
XXX --- Avenue  
---, California

Account No. None

As indicated in your memorandum of May 27, the above entity operates a canning service type of business. The customer brings the fruit or other commodity to be canned to the above place of business and places it in the desired size can. The cans are then put on the processing line on which the contents are cooked, steamed, etc., the can going directly through the can sealing machine.

It is our opinion that the work performed on the customer's commodity constitutes a "processing" under Section 6006(c), which processing is included within the definition of "sale". Therefore, the cans containing the customer's commodity are regarded as being sold with the contents, so that the exemption provided for in Section 6364 applies.

E. H. Stetson

JDP:tl