

M e m o r a n d u m**440.3520**

To: Mr. Glenn L. Rigby

Date: May 19, 1976

From: Donald J. Hennessy

Subject: W. R. G--- & C---.

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Chemicals Used in Manufacturing Polyvinyl Chloride Sheeting

On March 25, 1976, the Board heard the petition of W. R. G--- & C---. (G---) on the issue of whether MEK (methyl ethyle ketone), nitropropane, acetone, toluene, IPA (isopropyl acetate), mineral spirits (lactol spirits and lacquer diluent), and stearic acid were merely manufacturing aids used in the production of vinyl sheeting and vinyl coated fabrics. G--- contended that such chemicals are an essential component of the vinyl sheeting and vinyl coated fabrics and are properly purchased for resale.

The Board accepted G---'s contentions and ordered that the redetermination consider all of the chemicals, with the exception of the mineral spirits, as properly purchased for resale. This decision requires annotation as some of the same chemicals as used in other processes are annotated as taxable manufacturing aids. Annotation 440.3520, Toluene, should be deleted. I issued the letter on which Annotation 440.3520 is taken on July 15, 1975 based on my G--- hearing report. In light of the Board's decision, the annotation was obviously premature.

DJH:lb