

**M e m o r a n d u m****440.3670**

To: All Sales Tax Auditors

Sacramento  
7-7-36

From: T. H. Mugford

Subject: Application of Sales Tax to Sales of Chemicals Used in  
Wine Making

In making audits of sellers of Chemicals, particularly chemicals used in wine making, it is necessary for a determination to be made as to whether or not the chemicals are bought for the purpose of resale. In the event that the chemicals become a component part of the wine which is sold, no tax is applicable to receipts from the sale of the chemicals.

We are advised that tartaric acid, citric acid, tannin, when added for the purpose of increasing the body and astringency of the wine, sulfurous acid or its salts, such as metabisulfite, when added to wines in storage to check the course of wine diseases, and oxygen gas when used for the purpose of aging, become a component part of the wine.

Those chemicals which are used to process wine and which do not become a component part of the finished product are tannin, casin, gelatin, isinglass and bentonite, and charcoal and metabisulfite or sulfur dioxide when used to control the fermentation processes in wine making. In addition to these chemicals, there is sometimes used various neutralizing agents, such as neutral potassium carbonate, potassium carbonate, calcium carbonate or magnesium carbonate. Receipts from the sale of such neutralizing agents should be included in the measure of the tax. Receipts from the sale of chemicals that are added to wines for the purpose of removing excessive iron salts should also be included in the measure of the tax.

T. H. M.

THM:TW

# Memorandum

**440.3670**

To: Mr. Glenn Bystrom

Date: May 29, 1996

From: Gary Jugum

Subject: Non-Attorney Opinions

I have reviewed T. H. Mumford's memorandum of July 7, 1936 to All Sales Tax Auditors.

We are in agreement with his conclusion, as follows:

**Wine Making Chemicals.** Tartaric acid, citric acid, tannin (when added for the purpose of increasing the body and astringency of the wine), sulfurous acid or its salts such as metabisulfite (when added to check wine diseases) and oxygen gas (when used for the purpose of aging) become component parts of wine and may be purchased by wineries for resale.

Chemicals which are used to process wine and which do not become a component part of the finished product, such as tanning (except as indicated above) casin, gelating, isinglass, and bentonite are manufacturing aids and subject to tax. Chemicals when used to control the fermentation process, such as charcoal, metabisulfite and sulfur dioxide are manufacturing aids and subject to tax. Neutralizing agents such as potassium carbonate, calcium carbonate and magnesium carbonate are taxable. 7/7/36.