This is in reply to your letter of September 11, 1964 requesting an opinion with respect to the application of the Sales and Use Tax Law to sales of prepared food and other items by the above corporation.

C--- O--- C--- Corporation prepares the food which is served to the passengers by the airlines. Since the food is not served by C--- it is exempt as sales of food for human consumption. Sales of baby food would be exempt as a food product.

As a general rule, airlines do not make a separate charge for meals and beverages served to their passengers. Assuming this to be the case with the airlines C--- is dealing with, the sales of beverages to the airlines would be taxable since they are regarded as the consumers. The airlines would likewise be the consumers of such items as cups, toilet tissue, napkins, baby bottles, etc., and the tax would apply on sales of such items to the airlines by C---.