



STATE BOARD OF EQUALIZATION

July 11, 1951

B--- Company of California
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--- --- X, California

Attention: Mr. V--- S. S---
 Manager

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Gentlemen:

This is in reply to your letter of June 15 concerning the application of the State sales tax with respect to the sale of a Brine Inhibitor to M--- N--- Company which claims exemption from sales tax apparently upon the ground that this is an item which becomes an ingredient or component part of watercraft and thus qualifies for the exemption provided for in Sales and Use Tax Ruling 51.5, copy enclosed.

We have held that refrigerant gas, where bought by operators of watercraft for the purpose of replacing refrigerants in systems affixed to watercraft qualified for the exemption.

We understand from your letter that your Brine Inhibitor is used in the freezing coils as a part of the refrigeration plant of the vessels and does not require replenishment except as need to maintain the proper freezing qualities, thus distinguishing it from consumable supplies such as fuel and lubricating oil which do not fall within the exemption. If our understanding is correct, you may regard your sales of your product as within the exemption described in Ruling 51.5.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:ph

cc: Mr. Burnett Sheehan