

**STATE BOARD OF EQUALIZATION**

(916) 445-6493

August 30, 1985

Ms. A. M--- C---
Tax Accountant
--- ---
P. O. Box XXX
---, CA XXXXX

Re: --- --- (SY -- XX-XXXXXX)
Drugs used in feed manufacturing

Dear Ms. C---:

In your June 18, 1985 letter to Mr. Dalton B. Leech, Senior Tax Auditor for the Board's [city] office, which was referred to the legal section for response, you write:

Enclosed, please find a list of all the drugs we are using in the feed manufacturing process.

I have given the name of the drug, what it is used for and the type of drug.

We would like to have a ruling from the Board as to whether these drugs are taxable or not. As soon as we receive a ruling on the attached list, we will notify al our vendors accordingly.

I have enclosed with this letter, as Attachment A, the list you included with your letter. I assume that all the substances listed on Attachment A are, in fact, incorporated into the feed which --- --- uses or sells, and I also assume the feed so used or sold is feed for animal life of a kind the products of which ordinarily constitute food for human consumption.

Our opinion is that all these substances are nontaxable under the assumptions noted above, regardless of whether the substance is used to promote growth or to prevent disease in animals which consume the feed. Under Sales and Use Tax Regulation 1587(b), vitamins and minerals added to exempt feed to promote growth become part of the exempt feed and may be purchased from vendors ex-tax for this purpose. Likewise, those drugs and medicines added to exempt feed to prevent and control disease, may be purchased from vendors ex-tax for this purpose, since the resulting product is exempt medicated feed. Regulation 1587(b)(2)(B).

I enclose a copy of Regulation 1587 for your information. Please feel free to contact me if you have further questions or comments about this letter.

Very truly yours,

John Abbott
Tax Counsel

JA:sr

Attachment

FEED INGREDIENTS

<u>NAME</u>	<u>USAGE</u>	<u>TYPE OF INGREDIENT</u>
ADRK Prmx 83	Growth	Vitamin Premix
Olson Layer Prmx	Growth	Vitamin Premix
Stutts Starter Prmx	Growth	Vitamin Premix
BV Supp. E. Prmx	Growth	Vitamin Premix
Manganese Sulfate	Growth	Trace Mineral
T-Vit SB 83	Growth	Vitamin Premix
T-Vit G 83	Growth	Vitamin Premix
Trace #10	Growth	Trace Mineral
Amprol	Prevent Disease	Coccidiostat
Amprol Plus	Prevent Disease	Coccidiostat
A D & E Prmx		Vitamins
Corbosep	Prevent Disease	Blackhead
Coban	Prevent Disease	Coccidiostat
CTC 50	Prevent Disease	Antibiotic
Bacitracin MD 50	Prevent Disease	Antibiotic
Ipropran	Prevent Disease	Blackhead
Gallimycin	Prevent Disease	Antibiotic
Furox 100 & 180	Prevent Disease	Furan
Stepcillin F-25	Prevent Disease	Antibiotic
Pen Strep	Prevent Disease	Antibiotic
Piperazine	Prevent Disease	Wormer
TM 50 & 100	Prevent Disease	Antibiotic
Tylan 10	Prevent Disease	Antibiotic
Nopstress	Growth	Vitamin – H2O
Vitamin D & E		Vitamin
Linocomix	Growth	Antibiotic
Flavomycin	Growth	Antibiotic
Bio Cox	Prevent Disease	Coccidiostat
Rofenaïd	Prevent Disease	Sulfa