

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

235.0100

March 4, 1954

San Jose – Auditing (RGS)

Headquarters – Sales Tax Counsel (BH)

REDACTED TEXT

In reply to your letter of March 1, we advise that Sections 2470-2483 of the Internal Revenue Code impose a tax of 3 cents per pound on coconut oil coming from the Philippine Island, United States possessions or the Trust Territory of the Pacific and a tax of 5 cents per pound on coconut oil coming from other places. The taxable event is the first use of the oil in the United States in the manufacture or production of an article intended for sale. The tax must be paid by the user.

The subject taxpayer imports coconut oil for use in its manufacturing operations. It pays the tax directly to the United States. It is our opinion that the tax paid to the United States is not included in the measure of the California use tax.

Bill Holden

BH:ja