



STATE BOARD OF EQUALIZATION

November 8, 1950

[X]

Re: [X]

Gentlemen:

This is in answer to your recent inquiry concerning ways of computing deductions with respect to your sales of magazines and food products for sales tax purposes.

As indicated by Section D of Sales and Use Tax Ruling 50, copy enclosed, a retailer who deals in newspapers or periodicals, as therein defined, as a sideline, may compute the amount of his receipts from the sales of such magazines and newspapers by adding 35 percent to the net amount charged him for the newspapers and magazines by the publishers or distributors thereof, for the purpose of filing returns.

The application of the tax to sales of food products is governed by Sales and Use Tax Ruling 52. Section E thereof indicates an alternate method of computing the tax by operators of grocery stores. This method, however, is not applicable to sales of food products by retailers selling food products. We, therefore, suggest that you consult a member of the staff of our branch office with respect to the proper records to be kept to substantiate your claim of exemption with respect to sales of food products.

Very truly yours,

R. G. Hamlin
Associate Tax Counsel

RGH:HB