



STATE BOARD OF EQUALIZATION

July 17, 1956

[L]
XXth and --- Streets
--- --- X, California

Attention: Mr. [N]

Gentlemen:

We regret the delay in replying to your inquiries of January 11, April 13 and April 17, 1956, concerning the taxability of sales of Acetone and Benzol to be used in the ceramic industry.

Our understanding of chemicals Acetone and Benzol is that they are acids generally used as solvents or cleaners. We have not previously ruled on either of these chemicals, but it would be our opinion that as cleaners they would be used on but not become a part of the finished product in such a way as to be exempt as provided for in Sales and Use Tax Ruling 14, copy enclosed.

We would be glad to consider any further analysis you might care to submit as to the exact chemical reaction caused by these chemicals and as to the result of adding them to the products.

You also inquire concerning the taxability of mineral oil sold to [M]. The hospital claims that the mineral oil is used for feeding.

It is our opinion that mineral oil is not a food product even though it is used for human consumption. We understand that it has no nutritional value to humans because it cannot be broken down by the digestive system. We believe that its uses for human consumption are for medicinal purposes and it is therefore taxable.

Finally, you ask about silver cyanide, copper cyanide, zinc cyanide and other metal salts used in electroplating. We at one time were of the opinion that these salts were primarily manufacturing aids to conduct the metal ions from the cathode to the anode. Upon reconsidering the question, we became of the opinion that the fact that ions in the metallic salt do become plated

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on the finished product should be considered controlling. The metallic salts may therefore be purchased by the plater for resale.

Very truly yours,

Bill Holden
Associate Tax Counsel

JJD:tl

cc: --- --- - Auditing