

**M e m o r a n d u m****295.0037.400**

To: Corneilo Gomez  
Return Review

Date: June 30, 1989

916-445-5550  
ATSS-485-5550

From: David H. Levine  
Tax Counsel

Subject:

I wrote you a memorandum dated June 8, 1989 in response to your mini-memo regarding the application of tax to the admission charge for a "Symphony of Food & Wine." This was an event which involved the providing of food and wine. The admission ticket indicated a \$25 charge, and in parenthesis indicated that \$15 of this charge was tax deductible. I concluded that the full \$25 charge should be included in the taxable measure.

It has come to my attention that we have previously allowed taxpayers conducting such fundraisers to segregate amounts attributable to taxable sales from amounts not attributable to taxable sales. This taxpayer reported the \$25 charge as \$10 taxable and \$15 not taxable, consistent with the indication on its tickets that \$15 was tax deductible (the amount presumably attributable to donation). At this stage, we believe you should accept taxpayer's reporting of taxable sales based on the segregation reflected on its tickets. The audit staff may, if it wishes, audit taxpayer to ascertain if taxpayer's segregation and reporting of taxable sales is accurate.

DHL/ smt: 1447C

cc: Santa Rosa District Administrator