



STATE BOARD OF EQUALIZATION

September 5, 1952

Gentlemen:

This is in reply to your letter of August 7 concerning the application of sales tax to the sale of beer, wine, and other non-food items for consumption by crews of fishing vessels while at sea. You state that on a typical fishing vessel the crew consists of the three owners and nine hired crewmen. The total grocery expense for food and other items consumed by the twelve men while at sea is divided by twelve. This amount is then charged against each man's share from the voyage. Each man pays the same amount without regard to the value or cost price of items actually consumed by him.

It is our opinion that the owners of the boat should not be regarded as reselling these items to the members of the crew. The transaction appears instead to be analogous to a situation whereby A, B, and C are going on a picnic and they agree that A will buy the beer and that B and C will pay A one-third of the cost of the beer. In such a case A is acting as agent for B and C in purchasing this beer for them and A is not regarded as selling the beer to B and C. Accordingly, it is our opinion that the sale of non-food items to the owners of the fishing vessel is a taxable retail sale and not a sale for the purpose of resale.

Yours very truly,

W. W. Mangels
Assistant Counsel

Retyped 8/15/03 by Debbie Self