

Memorandum

550.0200

To: San Diego – Tax Administrator

Sacramento, California
January 10, 1955

From: Headquarters – Sale Tax Counsel (BH)

Subject: N--- P--- L--- Club
XXXX --- Street
--- --- X, California

Account No. - - XXXXXX

This is in reply to your letter of November 12, 1954, addressed to Mr. H. A. Dickson.

Taxpayer has a clubhouse and allows other organizations to use the facilities for a fee. The taxpayer has a resident manager who supervises operations at the clubhouse. As an example, the taxpayer will charge an organization \$2.00 per head for a dinner. They will regard approximately one-third of this amount as the charge for rental of the clubhouse and will consider it non-taxable.

It is our opinion that the taxpayer is selling meals in the same manner as an ordinary restaurant and that no part of the charge may be allocated to club house rental and regarded as exempt. Accordingly, your audit is correct in recommending a determination against the taxpayer for all amounts deducted from meals as clubhouse rentals.

Bill Holden

BH:ja