



STATE BOARD OF EQUALIZATION

April 24, 1950

Attention:

Gentlemen:

This is in answer to your letter of April 18 with respect to the application of the State sales tax to certain sales of soft drinks.

As indicated by Paragraph F of Sales and Use Tax Ruling 53, copy enclosed, the tax does not apply to the sale of meals or food products for human consumption by public or private schools, school districts, student organizations, and parent-teacher associations to the students or teachers of a school. Accordingly, the school or any of the other named organizations are not required to hold a seller's permit in connection with the serving of meals to students or teachers of the school.

The school, or other organization, may, however, purchase soft drinks which are served with the meals on a tax-free basis for resale by making an appropriate notation on its resale certificate in lieu of a seller's permit number, indicated by the third paragraph of Ruling 68, copy enclosed.

The sale of soft drinks by public or private schools through school stores or snack bars is subject to the tax, and the school is required to hold a seller's permit in connection with such sales. Accordingly, your sales of soft drinks to the school for resale other than as a part of a meal served pursuant to Paragraph F of Ruling 53, should be supported by a resale certificate indicating the purchaser's seller's permit number.

School organizations, such as the parent-teacher associations, are required to hold a seller's permit if they sell soft drinks at special events, such as school carnivals. Therefore, if you sell soft drinks to such organizations for resale, your claim of exemption should be supported by resale certificates, indicating the purchaser's seller's permit number.

In general, your sales of soft drinks to any person or organization not engaged in the business of selling soft drinks, and who do not hold a seller's permit in connection therewith, should be regarded as retail sales subject to the tax.

Very truly yours,

R. G. Hamlin
Associate Tax Counsel

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