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Executive Director

April 28, 1997

Mr. [F]
[G]
XXXXX --- ---
--- ---, California XXXXX

RE: S- --- XX-XXXXXX
Fruit Juices

Dear Mr. [F]:

I am responding to your letter to the Legal Division dated March 11, 1997. You ask why sales tax applies to your sales of Crystal Geyser Sparking Mineral Water but not Kern's Nectar. You state that Kern's Nectar is 21% fruit juice. Regulation 1602(a)(2) includes "fruit juices" within the definition of "food products" but excludes "carbonated beverages." Consequently, as long as a non-carbonated product contains some vegetable or fruit juice, whether liquid or frozen, it qualifies as a food product. (See, Journal of the Assembly (1970), pp.336-339.) As a result, Kern's Nectar qualifies as a food product, but carbonated Crystal Geyser does not. Sales of the latter are thus taxable. For your information, I have included a copy of Regulation 1602. I hope the above discussion has answered your question. If you need anything further, please do not hesitate to write again.

Sincerely,

John L. Waid
Senior Tax Counsel

JLW:sr