M e m o r a n d u m

260.0090

To: Mr. R. Nunes – Audit Section August 24, 1972

From: Donald J. Hennessy

Subject: Chemicals Used in Tanning SY --- XX XXXXXX

This is in response to your memorandum and attached materials of July 27, 1972 concerning the use of "Tanasol PW" and "Nopco 1525," chemicals used in the tanning of leather.

My research on tanning led to the same conclusion you expressed in your memorandum, i.e., "Tanasol PW" may be purchased for resale, but "Nopco 1525" was a taxable manufacturing aid. I expressed our tentative conclusion in my August 9 letter to the Tanning Chemicals Department of D--- S--- C--- Company and asked for their opinion. Enclosed is a copy of the August 16, 1972 reply from Mr. W. G. O---, Marketing Manager, which agrees with our conclusions. We therefore recommend that "Tanasol PW" be accepted as sold for resale and that sales of "Nopco 1525" be taxed as retail sales.

The representative of L--- A--- T--- Co. has stated that "Nopco 1525" is used as an oil emulsifier, which use is within Mr. O---'s statement ".. a degreasing agent should be accepted as a 'processing aid.'" Neither the representative of L--- A--- T--- Company or Mr. O--- mentions the possible use of "Nopco 1525" as a level leather dyeing agent, and such possibility would be best ignored until such a use presents an audit problem.

DJH:dih
Enclosure

cc: Out-of-State District Headquarters