STATE BOARD OF EQUALIZATION

May 4, 1960

Gentlemen:

In reply to your inquiry of April 21, we advise that the sale to you of chlorine for use in the preparation of the City water supply is properly purchased by you for resale.

You state that the chlorine is added to the water for the purpose of destroying undesirable microorganisms and objectionable chemical substances and that in the process the chlorine gives up its oxidizing power and becomes a part of the delivered product as chloride ions. Under these circumstances, we believe that the chloride may properly be said to be bought by you for resale as a component part of the water which you sell to your customers. The fact that your sale of water is exempt from sales tax under Section 6353 of the Sales and Use Tax Law does not affect the foregoing conclusion. You may still furnish a resale certificate to your chlorine supplier.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:tl [1b]