



STATE BOARD OF EQUALIZATION

January 30, 1950

C--- H---, G--- and
F--- D--- Association
XXXX --- Street
--- XX, California

Attention: Mr. I. J. S---

Gentlemen:

This is in answer to your letter of January 18 with respect to our letter of January 12 concerning the application of the State sales tax to sales of straw and damaged hay as soil amendments.

You are advised that the exemption with respect to sales of fertilizers by Section 6358 of the State Sales and Use Tax Law applies only to fertilizer to be applied to land the products of which are to be used as food for human consumption or sold in the regular course of business. As straw and hay are defined by Section 1022 of the Agricultural Code to be soil amendments, rather than fertilizer, this Board does not appear to have authority to extend the exemption of Section 6358 to sales of straw or hay, even though the straw or hay is to be applied to land the products of which are to be used as food for human consumption or sold in the regular course of business.

With respect to your understanding that sales of seed for cover crops are exempt from the tax, you are advised that the Department of Agriculture has informed us that cover crops are also soil amendments. As we understand that cover crops are plowed under, the exemption relating to sales of seeds the products of which ordinarily constitute food for human consumption or which are sold in the regular course of business does not appear to be applicable to sales of seeds for such crops. Accordingly, upon inquiry to this office we have advised retailers of seeds that their sales of seeds for cover crops are subject to the tax.

Very truly yours,

R. G. Hamlin
Associate Tax Counsel

RGH:HB

cc: A. H. Flickinger