

San Francisco - Auditing (LC:DB)

November 17, 1964

ANNO.

1612.95 Merger of Nonprofit Cooperative Associations. Nonprofit cooperative associations organized under Chapter 4, Div. 6, of the Agricultural Code, are deemed to be corporations. The merger of two or more is required to be made in the manner prescribed by the general laws of the state covering domestic corporations. Accordingly, the transfer of assets from a merged corporation to the constituent pursuant to a merger made in conformity with the provisions of the Corporations Code was not a taxable retail sale. 11/17/64.

Tax Counsel (GAT) - Headquarters

Indefinite

We have examined the documents which you have submitted pertaining to the merger of

documents on file in the office of the Secretary of State. We have also examined the

Chapter 4, Div. 6 of the Agricultural Code sets out the statutory requirements for the formation of nonprofit cooperative associations such as and

Under § 1191 of the Agricultural Code, nonprofit cooperative associations organized under Ch. 4, Div. 6 are deemed to be corporations.

Section 1215 of the Agricultural Code provides that any two or more corporations organized under the provisions of the Agricultural Code may be merged into one constituent corporation, such merger to be made in the manner prescribed by the general laws of the state covering domestic corporations.

Chapter 3, Tit 1, Div 1, Pt 8 of the Corporations Code sets out the requirements for mergers of corporations. On the basis of our examination of the documents on file in the office of the Secretary of State, it appears that the was merged into in conformity with the requirements of § 1215 of the Agricultural Code and Chapter 3, Tit 1, Div 1, Pt 8 of the Corporations Code. It is, therefore, our opinion that it qualified as a statutory merger. Accordingly, the transfer of the assets of was not a taxable sale.

GAT:spg
cc: Sacramento - District Administrator

[Handwritten signatures and notes]