

**STREAMLINED SALES AND USE TAX AGREEMENT
COMPLIANCE REVIEW AND INTERPRETATIONS COMMITTEE**

Interpretation Recommendation 2007-03

This Interpretation Recommendation is made to the Governing Board by the Compliance Review and Interpretations Committee this 21st day of June, 2007 in accordance with Article IX, Rule 902 of Rules and Procedures adopted by the Streamlined Sales Tax Governing Board, Inc.

The party requesting the interpretation is Patrick Williams of General Nutrition Centers, Inc. The request was submitted to the Executive Director on March 20, 2007. Expedited consideration available under Rule 902, subsection H was not requested

Issue

The issue presented is an interpretation of the definition of candy. The question presented was whether flour includes flour substitutes and if the presence of a flour substitute within a food product would prevent that food product from meeting the definition of candy.

Public Comment

No written public comments were received.

Recommendation

By unanimous consent the Compliance Review and Interpretations Committee submits to the Governing Board a recommendation that the same labeling standards used by the food industry be used to determine what constitutes flour for the purpose of defining candy. A product does not contain flour unless the product label specifically lists "flour" as an ingredient.

Rationale

The definition of candy found in Appendix C, Part II of the Streamlined Sales and Use Tax Agreement states candy shall not include any preparation containing flour, but does not define what constitutes flour. It is reasonable to accept the food industry's labeling standards and not consider any ingredient to be flour unless it is listed as such on the product label.

Committee Members

Larry Wilkie, Committee Chair; John Doyle, Tony Mastin, Andy Sabol, Joseph Van Devender, Dale Vettel, and Myles Vosberg