

Streamlined Sales Tax Governing Board, Inc.  
Compliance Review and Interpretations Committee

**INTERPRETATION/DEFINITION REQUEST**

Complete each section

1. Name(s) of Requestor(s): James Tilton

2. Contact Person: Name James Tilton

Address 120 4<sup>th</sup> ST. SW

Hickory, NC 28602

Telephone (828) 302-6043

Email James.Tilton@alexlee.com

3. Agreement Section(s) involved: Rule 330.1.B.1 & Appendix C part II "Candy"

4. Statement of Background Facts (be succinct): Lucky Charms contains oat pieces and marshmallows. The oat pieces contain flour while the marshmallows do not. The oat pieces and marshmallows are sold mixed together.

[http://www.generalmills.com/corporate/brands/product\\_image.aspx?catID=69&itemID=756](http://www.generalmills.com/corporate/brands/product_image.aspx?catID=69&itemID=756)

5. Issue: Should Lucky Charms be taxed as candy?

6. Proposed Interpretation: 1. Although, the oat pieces contain sweeteners, they are not candy because they contain flour. 2. The marshmallows are candy. 3. Because the marshmallows and oat pieces are "distinct and identifiable" and are bundled together, Lucky Charms should be taxed as candy.

7. Is expedited consideration requested?  No  Yes If yes, please explain why expedited review is requested

A request for interpretation/definition normally requires a minimum 60-day comment period. The comment period may be shortened to 10 days if the Committee grants a request for expedited consideration. See Governing Board Rule 902(D) and (H).

8. Date this Request is submitted: Monday July 27<sup>th</sup>, 2009 (07/27/09)

The Compliance Review and Interpretations Committee meets by teleconference at 10:00 am central every other Thursday. Their schedule can be found at: [www.streamlinedsalestax.org](http://www.streamlinedsalestax.org) under the meeting calendar.

Submit to: Scott Peterson, Executive Director  
Streamlined Sales Tax Governing Board  
4205 Hillsboro Pike, Ste 305  
Nashville, TN 37215  
615-460-9332  
[scott.peterson@SSTGB.org](mailto:scott.peterson@SSTGB.org)

F0007 Interpretation Definition Request (4/10/08)