

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 4th ST. SW
Hickory, NC 28602
Telephone (828) 302-6043
Email James.Tilton@alexlee.com
- 3. Agreement Section(s) involved:** Appendix C part II “Candy”

4. Statement of Background Facts (be succinct):

FYI - Some cereals like Honey Smacks and Golden Crisps have a higher percentage of sugar than a Snickers bar.

	Serving	Sugar	Percent Sugar
Honey Smacks	27g	15g	56%
Post Golden Crisp	27g	14g	52%
Snickers two piece king size	47g	23g	49%

Sample Items A (Not containing flour): [Honey Smacks](#), [Rice Krispies Treats](#), [Cocoa Krispies](#), [Golden Crisp](#), [Special K](#), [Fruity Pebbles](#), [Carmel Corn Rice Cakes](#), [Kelloggs Raisin Bran](#), [Wheaties](#), and [Cheerios](#)

Sample Items B(containing flour): [Grape Nuts](#), [Cookie Crunch](#), [Lightly Salted Rice Cakes](#), [Post Raisin Bran](#), [Apple Jacks](#), [Alpha Bits](#), and [Honey Nut Cheerios](#)

5. Issue: Should breakfast bars and cereals, and other items that meet the definition of Candy be taxed as candy? This issue is very important to grocers as it impacts approximately 40% of cereals sold today.

6. Proposed Interpretation: **1.** Under the current definition of candy, items like those in “Sample Items A” are candy because they meet the objective tests in the definition of candy and because the current definition does not exclude items that contain corn, oats, rice or wheat. **2.** Items like those in “Sample Items B” are not candy because they contain flour.

7. Is expedited consideration requested? ___No X Yes **If yes, please explain why expedited review is requested**

Expediency is requested because of the upcoming Governing Board meeting.

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: Tuesday August 18th, 2009 (08/18/09)

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 under the meeting calendar.

Submit to: Scott Peterson, Executive Director
Streamlined Sales Tax Governing Board

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F0007 Interpretation Definition Request (4/10/08)