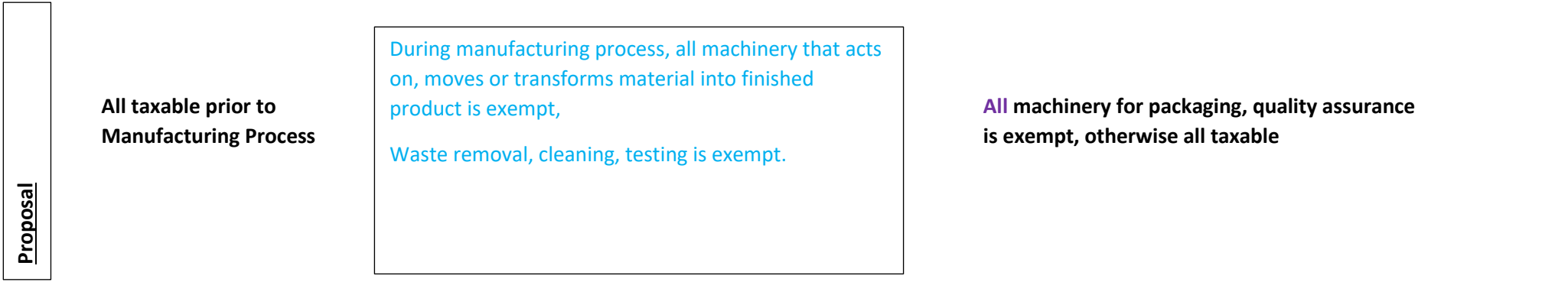
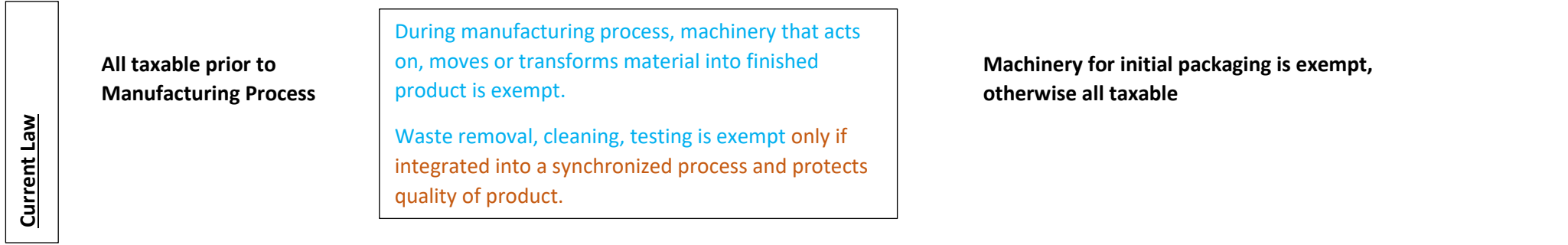
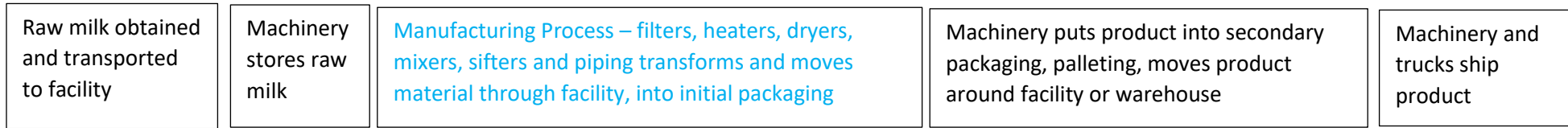
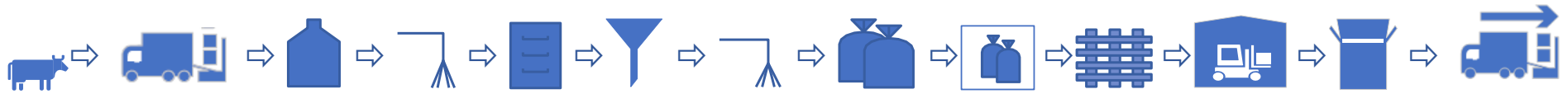



Manufacturing Exemption Proposal – Flowchart for Dried Milk Products



Summary: The Proposal eliminates the confusing “integration” analysis during the manufacturing process, and the exemption is expanded to include quality assurance and testing equipment used at any time. All machinery used for packaging is exempt, even if used after initial packaging.

This simplification avoids confusing tax consequences arising only because quality assurance equipment is moved to another point in production, or if equipment is used for initial and secondary packaging.

 Easier for manufacturers, easier for the Tax Department.