

May 4, 2005

Mr. Rufus Decker
Accounting Branch Chief
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: **Scott's Liquid Gold-Inc.**
Form 10-K for the fiscal year ended December 31, 2004
Schedule 14A filed on April 5, 2005
File No. 1-13458

Dear Mr. Decker:

This letter responds to the comments of the staff of the Securities and Exchange Commission in its letter dated April 21, 2005 with respect to the Form 10-K Report and Schedule 14A listed above. The text of the staff's comments is set forth below in bold followed in each case by the response.

Comment applicable to your overall filing

1. **Where a comment below requests additional disclosures or other revisions to be made, please show us in your supplemental response what the revisions will look like.**

Response: We have followed this approach in responding to the comments.

FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2004

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We note your response to prior comment 4. We remind you that paragraph 42 of SFAS 109 states that it is not appropriate to offset deferred tax liabilities and assets attributable to different tax-paying components or to different tax jurisdictions. It is not clear how your current presentation and accounting of deferred income taxes complies with this guidance. Please provide us with a tax analysis for each tax jurisdiction including Colorado and United States federal. Each tax analysis should include the deferred tax assets, deferred tax liabilities, and valuation allowance recorded for each tax jurisdiction as well as the May 4, 2005 components of each of these amounts. Please also provide us with a detailed explanation for each tax jurisdiction as to how you determined a full valuation allowance was not necessary for your deferred tax assets at December 31, 2004, December 31, 2003, and December 31, 2002.

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Response: With respect to different tax jurisdictions, the Company has filing obligations to the U.S. Government and five states. With respect to state obligations, Colorado is the primary state with an apportionment factor exceeding 99.8% rendering all other state jurisdictions immaterial for purposes of deferred tax assets and liabilities analysis and disclosure. Attached, please find our analysis of each significant tax jurisdiction at December 31, 2004, December 31, 2003, and December 31, 2002. As regards tax-paying components, the Company reports on a consolidated basis for both federal and Colorado purposes. The deferred tax assets for each of the United States and Colorado are in an amount that can be used to offset the deferred tax liabilities of that jurisdiction, resulting in the equivalent of a full valuation allowance for the deferred tax assets of all such jurisdictions.

In performing the analysis, we determined that certain reclassifications in the balance sheet relating to the presentation of deferred taxes could be made. We will incorporate such reclassifications in future filings.

SCHEDULE 14A FILED ON APRIL 5, 2005

- 2. Please describe in future filings the nature of the services provided by your principal accountant in exchange for the fees included under the caption "All other fees." Refer to Item 9(e)(4) of Schedule 14A.**

Response: In future filings we will describe the nature of the services provided by our principal accountant under the caption "All other fees".

If you have any questions or comments regarding the foregoing, please contact Mark R. Levy (303-295-8073) or Amy Bowler (303-295-8337) at Holland & Hart LLP, our attorneys. Thank you.

Very truly yours,

SCOTT'S LIQUID GOLD-INC.

By: /s/ Jeffry B. Johnson
Jeffry B. Johnson
Treasurer and Chief Financial Officer

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