

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)
(916) 445-3237

March 2, 1982

Mr. R--- J. F---
Director
F--- and A---
XXXX --- Drive
---, CA XXXXX

Dear Mr. F---:

This is in response to your letter of January 21, 1982. You have requested our opinion concerning the correct application of tax to empty intravenous solution containers and empty enema bags.

As we understand it, hospitals purchase both of these products without their contents. In both cases a pharmacist or nurse prepares or compounds the contents which are exempt medicines. The patient is customarily charged for the intravenous solution or enema preparation. You would like to know whether a hospital's purchase of containers for these items is exempt from tax because it is sold with an exempt medicine? If so, does the same analysis apply to the syringe which is sold with its exempt prescription contents?

We are of the opinion that tax applies to the hospitals' purchases of empty intravenous solution containers and enema bags because there is no sale of the containers with the medicine to the patient. We have previously determined that such containers are part of a hospital's medicine handling system and never leave the hospital's possession until they are thrown out by the hospital. As such, the hospital is the consumer of such containers and tax will apply to their sale to the hospital. The same analysis would apply to a syringe.

Mr. R--- J. F---

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March 2, 1982
300.0035

If you have further questions concerning this matter, please write this office again.

Very truly yours,

Mary C. Armstrong
Staff Counsel

MCA:ba

bc: --- --- Subdistrict