

**STATE BOARD OF EQUALIZATION**

(916) 324-5589

June 11, 1990

Mr. A--- Y. C. Y---  
--- and ---  
XXXX --- ---- ---  
---, Washington XXXXX-XXXX

Dear Mr. Y---:

This is in response to your letter of May 7, 1990 regarding the correct application of tax to various medical products listed in your letter.

You have requested that we circle the appropriate response (taxable or exempt) next to each item with a reference to the statute, regulation or rule supporting our conclusion. We are unable to provide you with such a summary response because several of the items listed are both taxable and exempt depending on the circumstances of their use.

Your list of items and our comments as to the correct application of tax in each instance follow. (All references are to the Revenue and Taxation Code unless otherwise noted.)

Permanent Urinary Incontinence Products

Catheter – A flexible tubular device used to drain urine from the bladder through the urinary tract and to inject medications into the urinary bladder. These catheters include in-dwelling catheters and male external catheters (condom catheters).

Taxable Status

All catheters are taxable, with three exceptions: (1) catheters which are permanently implanted are exempted under section 6369(c)(2); (2) catheters which are used for drainage purposes through artificial openings are exempted under section 6369(g) dealing with ostomy materials (this exemption includes supplies); and (3) catheters or other types of drainage devices used for drainage through

Insert Tray – A sterile tray (or kit) containing the items needed for urinary catheterization, such as sterile gloves, an underpad to protect the linens and maintain sterility, paper drape to cover the body, rayon balls and cleansing or disinfecting solution, forceps, lubricating gel and a syringe.

Drain Bag – Used with a catheter to collect the urine as it drains. There are two types. Bedside bags are used for patients confined to bed. Leg bags are used for ambulatory patients.

Closed Drainage System Kits or Bladder Care Kits – Contain all the items in an insert tray plus catheter and pre-connected drain bag.

Irrigation Products – Products used to cleanse the bladder and also to remove clots and sediment and thereby lengthen the life of the catheter. Bladder irrigation is a sterile procedure.

Irrigation Tray – Contains a Syringe and all of the other Items necessary for irrigation - underpad, solution container, alcohol swab, etc.

natural openings are exempted as prosthetic devices under section 6369(c)(4).

Tax applies to the entire price of medical kits and trays unless the sales price is allocated between taxable and non-taxable items. (Business Taxes Law Guide (BTLG) Annot. 425.0840.)

Bedside bags – taxable.  
Leg bags – Exempt (if fully worn on the body). ( § 6369(c)(4).)

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Irrigation Solution – Solutions commonly used for bladder irrigation are sterile water, normal saline, urological G or renacidin.

Exempt (BTLG Annot. 425.0840.)

Surgical Dressings – Products used assist in the patient’s healing process after surgery in which a scalpel was used.

Exempt if the dressing contains a medicine. (§ 6369.)

Enteral (Tube-Feeding Products) – Enteral feeding is the ingestion of nutrition through a tube inserted into an opening in the body. Nasogastric feeding is administered through a tube in the nose. Gastrointestinal feeding is administered through a catheter inserted in a surgical opening in the stomach. Examples of the types of enteral products are:

Nutrients (tube-feeding formulas of life sustaining prescription food products.)

Exempt. (§ 6369(b).)

Naso-Gastro Tubes

Taxable (unless also used for suction). (§ 6369(b)(2).)

Catheters for Gastro-Intestinal Feeding

Taxable (unless also used for suction). (§ 6369(b)(2).)

Administration Kits which include a set of feeding bags and gavages.

Taxable unless sales price allocated between taxable and non-taxable items BTLG Annot. 425.0840.)

Purchase or Rental for a sophisticated pump that is used to ingest doctor-prescribed quantities and timely doses

Taxable. (§ 6369(b)(2).)

of nutrients through a tube and into the patient's body.

Ostomy Products – Products used by Patients who have had ostomy surgery. These products include such items as ostomy bags used to collect body waste, skin protectors and gels to dress the ostomy site.

Exempt. (§ 6369(g).)

Tracheostomy Products – Products used by patients who have had tracheostomy surgery. These products include such items as tracheostomy care kits, solutions and other related tracheostomy products for used for cleansing and maintenance after the surgery.

Exempt (§ 6369(g)) but taxable if used prior to or during surgical procedure.

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

Very truly yours,

Mary C. Armstrong  
Senior Tax Counsel

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