



**STATE BOARD OF EQUALIZATION**

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November 21, 1997

E. L. SORENSEN, JR.  
Executive Director

Mr. M--- M---  
Vice President, Finance, and CFO  
G--- Corporation  
XXXX --- Drive  
P.O. Box XXXXX  
--- ---, CA XXXXX-XXXX

RE: SC --- XX-XXXXXX  
Coronary Stents

Dear Mr. M---:

I am answering your letter to me dated October 6, 1997. You asked for an opinion as to the application of sales tax to G---'s sales of coronary stents. You describe how your product is used as follows:

“The major challenge to angioplasty is clinical restenosis, or the renarrowing of the blood vessel following the angioplasty procedure. Clinical restenosis can manifest as either the collapse of the artery as a result of the weakening of the artery walls following angioplasty or as the reoccurrence of the cholesterol or calcium deposits within the artery wall. Clinical restenosis may occur immediately following the angioplasty procedure, or anytime over the next several months or years. Treatment of clinical restenosis generally requires a subsequent angioplasty procedure or, in more sever instances, surgery. Clinical restenosis occurs in approximately twenty to thirty percent of patients undergoing angioplasty procedures.

“Coronary stenting is a technique which mechanically props open the artery through implementation of a small, latticed stainless steel tube at the site of the narrowing. The stainless steel tube - the stent - is premounted on a coronary angioplasty balloon catheter. As the balloon catheter is inflated during angioplasty, the stent expands and is compressed against the artery walls. When the balloon is deflated, the expanded stent remains implanted in the artery. This

technique of mechanically propping open the artery with the stent greatly reduces the rate of clinical restenosis.”

You further indicate that the stent remains permanently in the body of the patient.

We do not render an opinion on whether or not sales of the angioplasty catheter used to insert the stent are exempt from tax under Regulation 1591(n) as that is not your question. You are concerned only with the coronary stent. You state that the stent remains permanently implanted in the body and assists the circulatory system by holding the affected artery open after the angioplasty procedure. It thus qualifies as a “medicine” pursuant to Regulation 1591(b)(2). As a result, its sales are exempt from tax.

I hope the above discussion has answered your question. If you need anything further, please do not hesitate to write again.

Sincerely,

John L. Waid  
Senior Tax Counsel

JLW:sr

cc: --- District Administrator - --