M e m o r a n d u m

To: Out-of-State – Compliance (JL)   Date: March 1, 1984

From: Charles J. Graziano

Subject: X-----------------

This is in reply to your memo of January 25, 1984 concerning the current application of tax to the sale of certain medical items produced by X-------------------.

The products in question are articles or devices used in the medical treatment of persons suffering from hydrocephalus, an abnormal accumulation of fluid in the cranial vault. This treatment consists of surgically implanting a valve regulated shunt system in the patient. Essentially, the shunt consists of a slit-valve, a radiopaque ventricular catheter, connector(s), and either a atrial or peritoneal catheter. The purpose of this shunt system is to properly maintain intracranial pressure by serving as a pathway for the drainage of excess cerebrospinal fluid between the patient's brain cavity (ventricle) and either the patient's peritoneal cavity (i.e., ventriculo-peritoneal shunt), or jugular vein (i.e., ventriculo – atrial shunt).

We have previously decided that these ventricle shunt products qualify as exempt prescription medicines under Sales and Use Tax Regulation 1591 (b) (2) because they are articles permanently implanted in the human body to assist the functioning of the brain.

Therefore, it is our opinion that tax does not apply to the sale or use of the following X------------- products:

Pressure-Regulation Components

X------------------- Cruciform-Slit Valve   Exempt

Ventricular Access Devices

X------------------- Ventricular Catheters   Exempt
X------------------- Slotted Ventricular Catheters   Exempt
X------------------- Catheter-Reservoir   Exempt

X------------------- Slotted Catheter-Reservoir   Exempt
X------------------- Frontal Horn Catheter-Reservoir   Exempt
X------------------- Slotted Frontal Horn Catheter-Reservoir   Exempt
X------------------- McComb Neonatal Catheter-Reservoir   Exempt

Proximal and Distal Components

X------------------- Rickham Type Reservoir   Exempt
X------------------- Burr Hole Catheter Support   Exempt
X------------------- Fixation and Joining Connectors   Exempt

Distal Catheters

X------------------- Atrial Catheters   Exempt
X------------------- Peritoneal Catheters   Exempt

CJG:ba