

M e m o r a n d u m**425.0920**

To: Mr. Donald J. Hennessy

Date: May 10, 1988

From: Robert J. Stipe

Subject: Business Taxes Law Guide Annotations

This is in response to Jim Mahler's December 8, 1987 memorandum to you concerning certain BTLG Annotations. Specifically, Mr. Mahler indicates that amendments to Revenue and Taxation Code Section 6369 and the adoption of Section 6018.1 have rendered certain annotations obsolete or incomplete.

I agree with Mr. Mahler and recommend these annotations be deleted or amended as follows:

425.0160 Artificial Kidney.

Delete this annotation since the gross receipts from the sale of such machines are exempt from tax pursuant to Revenue and Taxation Code Section 6369.1, Regulation 1591(j), and the subject matter will be covered by Annotation 425.0485.

425.0485 Kidney Dialysis.

Amend this annotation to read as follows:

Artificial kidney dialysis machines and related supplies are classified as exempt medicines under Revenue and Taxation Code Section 6369(f).1 and Sales and Use Tax Regulation 1591(j).

425.0240 Catheters.

This annotation deleted by current Legal Digest No. 465 September 51, 1989
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Delete the language of this annotation and insert the following:

Catheters and their replacement parts designed to be fully worn on or in the person of the user to replace or assist the functioning of a natural part of the human body are exempt

from tax pursuant to Revenue and Taxation Code Section 6369(c)(4). However, all other catheters are considered to be articles in the nature of instruments, contrivances, appliances, devices or other physical equipment pursuant to Revenue and Taxation Code Section 6369(b)(2) and the gross receipts from the sale of these catheters are subject to tax.

425.0260 Colostomy Drain Bag.

Delete the language of this annotation and insert the following:

A colostomy drain bag is an exempt medicine pursuant to Revenue and Taxation Code Section 6369(g) and Sales and Use Tax Regulation 1591(j).

425.0850 Splints.

Delete the language of this annotation and insert the following:

Splints (and their replacement parts) designed to be fully worn on the person of the user as a brace, support or correction for the body structure are exempt from tax pursuant to Revenue and Taxation Code Section 6369(c)(3) and Sales and Use Tax Regulation 1591(b)(4).

425.0870 Surgical Replacement Lenses.

Delete the language of this annotation and insert the following:

Intraocular lenses and their replacement parts are exempt from tax pursuant to Revenue and Taxation Code Section 6369(c)(5) and Sales and Use Tax Regulation 1591(b)(5).

425.0920 Veterinarians.

Delete the language of this annotation and insert the following:

Pursuant to Revenue and Taxation Code Section 6018.1, licensed veterinarians are consumers and not retailers of drugs and medicines, as defined in Section 6018.1, which are used or furnished by the veterinarian in the performance of the veterinarian's professional services. Accordingly, the gross receipts from the sale of such drugs and medicines to licensed veterinarians are taxable while the gross receipts from the veterinarian's sale of these drugs and medicines are not taxable.

RJS:sr