



SEN. GEORGE RUNNER (RET.)

MEMBER  
STATE BOARD OF EQUALIZATION  
**CALIFORNIA'S TAX BOARD**

September 6, 2016

Governor Jerry Brown  
ATTN: Michael R.O. Martinez, Deputy Legislative Affairs Secretary  
Governor's Office, Legislative Unit  
State Capitol, First Floor  
Sacramento, CA 95814

**RE: SENATE BILL 898 (NGUYEN) – SALES AND USE TAX: ANIMAL BLOOD BANKS ▪ REQUEST FOR SIGNATURE ▪**

Dear Governor Brown:

I am writing to respectfully request your signature on Senate Bill 898, which will provide an exemption from tax on the sale and use of animal blood, blood products and derivatives by a licensed, nonprofit animal blood bank when sold for use in the cure, mitigation, treatment or prevention of injury or disease in animals. The bill will sunset on January 1, 2022.

According to the California Department of Food and Agriculture, there is only one nonprofit animal blood bank establishment that holds a valid license to produce, market and sell animal blood and blood products. This service facility provides essential whole blood, plasma, platelets and clotting factors to veterinary hospitals and clinics around the world.

Currently, human blood transfers are exempt from sales and use tax; however, this exemption does not apply to animal blood products. If animal blood is used by veterinarians for qualified medical purposes, then it should not be subject to sales and use tax. SB 898 provides such an exemption and is necessary to clear up confusion in existing law. Therefore, I urge your support of this bill that will take effect upon your signature.

Sincerely,

GEORGE RUNNER  
1<sup>st</sup> District

cc: Senator Nguyen