FINAL STATEMENT OF REASONS
OVERVIEW/NON-CONTROLLING SUMMARY

Amendment of Sales and Use Tax Regulation 1592, Eyeglasses and Other Ophthalmic Materials

Update

Regulation 1592 interprets and explains the Sales and Use Tax Law as it applies to sales of ophthalmic materials. It explains the situations when sales of such property are subject to sales and use tax and when they are not.

Specific Purpose

The purpose of the proposed amendment is to interpret, implement, and make specific Revenue and Taxation Code Section 6018 as it applies to such sales. This amendment is necessary to provide guidance to the taxpayers that engage in such transactions.

Factual Basis

Regulation 1592, in part, defines when persons providing ophthalmic services are considered the consumers of ophthalmic materials they transfer to the patient while treating eye ailments. The Board amended the regulation to clarify that clip-on sunglasses are treated in the same manner as eyeglasses, frames, and lenses and to correct formatting and clerical errors.
Subdivision (a)(4)- word "his" changed to "the" to remove gender reference.
Subdivisions (a)(4) and (b)(3)- phrase "including clip-on sunglasses," added to clarify that clip-on sunglasses are treated in the same manner as eyeglasses, frames, and lenses.
Subdivision (d)- first words of items (1)-(3) capitalized to conform to current formatting principles.

Local Mandate Determination

The Board of Equalization has determined that the amended regulation does not impose a mandate on local agencies or school districts.

Response to Public Comment

On April 23, 2003, the Board held a public hearing on the proposed amendments to Regulation 1592. No one appeared at the public hearing and no written comments were received.

Small Business Impact

The Board of Equalization has determined that the amended regulation will not have a significant adverse economic impact on small businesses.

Adverse Economic Impact on Private Persons/Businesses Not Including Small Business

No impact.

Federal Regulations

Regulation 1592 and the proposed change have no comparable federal regulations.

Alternatives Considered

By its motion, the Board determined no alternative to amending the regulation would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the adopted regulation.