



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 15, 2016

Senator Robert Hertzberg, Chair
Senate Committee on Governance and Finance
State Capitol, Room 408
Sacramento, CA 95814

RE: SENATE BILL 898 (NGUYEN) – SALES AND USE TAX: ANIMAL BLOOD BANKS ▪ SUPPORT ▪

Dear Senator Hertzberg,

I am pleased to support 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 animal blood bank when sold for use in the cure, mitigation, treatment or prevention of injury or disease in animals.

According to the California Department of Food and Agriculture, only two animal blood bank establishments hold valid licenses to produce, market and sell animal blood and blood products. These service facilities provide 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. SB 898 provides such an exemption and also finds that it is in the public interest to relieve from liability persons that have not paid tax on previous qualifying sales of 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 is necessary to clear up confusion in existing law; therefore, I urge your "aye" vote when the bill is heard in your committee.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner".

GEORGE RUNNER
1st District

cc: Senator Nguyen
Scott Chavez, Consultant, Senate Republican Office of Policy