



**SEN. GEORGE RUNNER (RET.)**

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

June 14, 2016

Assemblymember Sebastian Ridley-Thomas, Chair  
Assembly Committee on Revenue and Taxation  
1020 N Street, Room 167A  
Sacramento, CA 95814

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

Dear Assemblymember Ridley-Thomas:

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, nonprofit 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, there is only one nonprofit animal blood bank establishment that holds 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. 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,

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

cc: Senator Nguyen  
Julia King, Consultant, Assembly Republican Office of Policy