

**STATE BOARD OF EQUALIZATION**

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Executive Director

January 18, 1996

Mr. A--- R--- - W---
Director, Financial Analysis
C---
P. O. Box XXXX
---, CA XXXXX-XXXX

Dear Mr. R--- - W---:

On January 10, 1996, the California State Board of Equalization adopted published amendments to its Sales and Use Tax Regulation 1591, concerning sales of intra-aortic balloon catheters and percutaneous coronary angioplasty catheters (PTCA). Those amendments provide as follows:

“(n) BALLOON CATHETERS. Sales of intra-aortic balloon pump catheters and coronary angioplasty balloon catheters are not subject to tax. Sales of related supplies are subject to tax.”

It is apparent that the Board did not want to enlarge the exemption beyond that previously recognized by the Board's legal staff. Neither the California Legislature nor the elected State Board of Equalization has supported industry attempts to broaden the exemption to cover accessories and related supplies, at a loss of millions of dollars in state and local revenue. Accordingly, sales tax applies to sales of coronary guide wires, coronary guiding catheters, inflation devices, syringes, hemostatic valves, guide wire introducers, sheath introducer systems, torquing devices, and other related supplies and accessories.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr

cc: Mr. Glenn A. Bystrom - MIC:43
Mr. E. L. Sorensen, Jr. - MIC:83