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**STATE BOARD OF EQUALIZATION**

September 13, 1962

H-- L--  
P. O. Box XXX  
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J-XXXXX

Attention: Mr. A. R. H--

Gentlemen:

In answer to your letter of August 28, we advise that Intravenous and Irrigation Solutions constitute, in our opinion, medicine as defined in Sales and Use Tax Ruling 22. Accordingly, when furnished as described under part (a) of that ruling, their sale is subject to the exemption applicable to prescription medicines.

We have held that a sale of a unit of Blood Plasma is exempt even though the unit includes an administration set constituting under 2% of the total price of the unit\*. In general, administration equipment will not be regarded as included within the prescription medicine exemption. If you wish a ruling on any specific equipment, we suggest you supply us with full information.

The prescription medicine exemption applies in a proper case to sales to patients by druggists, hospitals, and doctors. The real basis for your claiming exemption with respect to sales to hospitals is that your sales are sales for resale. You will note from Ruling 22, part (f), that hospitals are retailers of prescription medicines furnished as indicated in part (a) whether or not a charge is made for such medicines. You should, accordingly, support your deductions of sales to hospitals by taking resale certificates from the hospitals.

Very truly yours,

E. H. Stetson  
Tax Counsel

<p>*Must prorate when kit includes exempt sale of medicine and taxable sale of other items. DHL 6/15/98</p>
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EHS:fb

cc: --- --- – District Administrator