

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)
(916) 324-5589

June 12, 1989

Ms. G--- P---
Accounting Department
P--- D--- Inc.
XXXX --- --- Road
--- ---, M--- XXXXX

RE: SC – XX-XXXXXX

Dear Ms. P---:

This is in response to your letter of March 28, 1989. You have requested our opinion regarding the correct application of tax to various items sold by your company. You have also requested information regarding the various tax rates and the procedure for filing tax refunds.

As we understand it, P--- D--- has two principal product lines. The Port-A-Cath which are totally implantable port and intravenous catheter systems used for single injections or continuous infusion and Computerized Ambulatory Drug Delivery pumps (CADDP) which provide a system for administering medication.

Revenue and Taxation Code Section 6369(c)(6) provides that “programmable drug infusion devices” are considered medicines as that term is used in Section 6369. We are of the opinion that Computerized Ambulatory Drug Delivery pumps qualify as programmable drug infusion devices under Section 6369(c)(6) and your sale of CADDP is exempt from tax. The Port-A-Cath system is not exempt from tax because it is not a programmable drug infusion device. It merely serves as a port for the injection of medicine.

According to the literature you supplied, the Port-A-Cath can also be used in conjunction with a programmable battery pump which meters out the drug. This pump would be considered a programmable drug infusion device.

We are enclosing a copy of our pamphlet “Tax Tips for District Taxes” for your reference. This booklet explains the various rates now in effect in California.

You have also requested information regarding the procedure to be followed in filing a claim for refund with the State Board. Revenue and Taxation Code Section 6904 provides:

“Every claim shall be in writing and shall state the specific grounds upon which the claim is grounded.”

Claims for refund for tax previously paid on sales of drug infusion devices should be addressed to the Board of Equalization, Attention Audit Review and Refund Unit, P.O. Box 942878, Sacramento, California, 94278-0001.

If you have further questions concerning this matter, please write this office again.

Very truly yours,

Mary C. Armstrong
Senior Tax Counsel

MCA:cl

Enclosure

bc: Out-of-State District Administrator