



STATE BOARD OF EQUALIZATION

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September 29, 1992

Dr. --- -. F---, M.D.
--- --- ---, Inc.
--- --- ---
---, --- 9XXXX-XXXX

Re: EF HQ XX-XXXXXX
Medifast

Dear Dr. F---:

I am responding to your letter to the Legal Division dated August 14, 1992. You requested a sales tax ruling on the application of sales and use tax to the "Medifast" program. We note that the Board Staff cannot issue tax rulings; only the Board itself may do that. However, we can give you our opinion regarding the correct application of tax to a given set of facts.

You state that your group sponsors "Medifast," which you indicate is a physician-controlled weight-reduction and maintenance program. Your patients require a physical examination with laboratory findings, then weekly monitoring by a licensed physician and lab work, as well as controlled intake of nutrients that contain 486 calories per day. You indicate that the nutrients are sold on prescription.

We have previously determined that "Medifast" weight-loss products, when sold or furnished under the conditions you describe, qualify as a prescription medicine. Thus such sales are exempt from tax under Sales and Use Tax Regulation 1591(a)(1) and (b)(1).

Dr. M--- D. F---, M.D.

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September 29, 1992
425.1115

For your information, I have included a copy of Regulation 1591. I hope the above discussion has answered your question. If you need anything further, please do not hesitate to write again.

Sincerely,

John L. Waid
Tax Counsel

JLW:es

Enclosure: Reg. 1591