

**STATE BOARD OF EQUALIZATION**

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

March 6, 1989

Ms. J--- R---
Controllers Office
S--- H--- S---
--- --- Plaza
P. O. Box XXX
---, Pennsylvania XXXXX

Re: S--- H--- S---
#SY -- XX-XXXXXX

Dear Ms. R---:

Your letter of January 18, 1989 has been referred to the undersigned for reply. You have requested our advice regarding the following:

1. Whether the sample "Tax Exemption Certificate" you enclosed with your letter is acceptable in determining the taxable status of an item.
2. Whether autotransfusion systems are exempt medicines.

The sample "Tax Exemption Certificate" is an acceptable exemption certificate as provided in Sales and Use Tax regulation 1667 (copy enclosed). As noted in regulation 1667(b)(1), "...a seller is relieved of the liability for sales tax if the purchaser timely certifies in writing to the seller that the property (purchased) will be used in a manner or for a purpose entitling the seller to regard the gross receipts from the sale to be exempted from sales tax...".

Autotransfusion systems do not qualify as exempt medicines. Such devices are used to reinfuse the patient's own blood rather than to provide drainage of waste products from the body. As such, the sale of such units are subject to tax.

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

Very truly yours,

Mary C. Armstrong
Tax Counsel

MCA/smt
Enclosure: Regulation 1667