



STATE BOARD OF EQUALIZATION

Your letter of March 1, 1983 to Mr. Monte Williams has been referred to the legal staff for reply. Your inquiry concerns the correct application of tax to I.V. Administration Equipment sold by your company.

As Mr. Williams informed you in his letter of February 18, 1983, effective January 1, 1983, section 6369 of the Revenue and Taxation Code has been amended to include "programmable drug infusion devices to be worn on or implanted in the human body," within the definition of the term "medicines." As a result of this legislative change the Board is in the process of revising Sales and Use Tax regulation 1591, "Prescription Medicines." The proposed amendment to regulation 1591 provides:

“Effective January 1, 1983, the term (medicines) includes programmable drug infusion devices to be worn in or implanted in the human body which automatically cause the infusion of measured quantities of a medicine into the body of the wearer of the device.”

In your letter of March 1, 1983 you enclosed a catalog which describes the various I.V. Administration Sets sold by your company. Included are general sets, automatic piggyback sets, filter sets, anesthesia/surgical sets, solusets, extension sets, pediatric/neonatal sets and specialty sets. All of the sets listed in your catalog are in the nature of traditional I.V. administration equipment whereby fluid or medicine is administered to a patient through tubing. There is no mechanism available with the administration sets which automatically programs the delivery of the medicine to the patient other than through a traditional drip method and an on/off switch. We are of the opinion that none of the I.V. administration sets listed in your catalog qualify as programmable drug infusion devices under Revenue and Taxation Code section 6369. The various I.V. administration sets described in your catalog are not fully worn on, or implanted in the human body of the patient nor are they programmable in the sense that they do not automatically cause the infusion of measured quantities of a medicine into the body of the wearer. As such, tax will apply to all of the I.V. administration sets listed in your letter.

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

Very truly yours,

Mary C. Armstrong
Staff Counsel

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