

California Will Not Tax Vet Services

The proposal, opposed by the California Veterinary Medical Association, is removed from state's final budget bill.

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A proposed sales tax on veterinary services in California could have added up to 10 percent to the cost of pet care, according to the CVMA. The California Legislature has passed a 17-month budget that does not include Gov. Arnold Schwarzenegger's earlier proposal to broaden the sales and use tax to include veterinary services.

In November, the governor issued a proposal for a solution to help fix the state's \$11.2 billion budget shortfall. A proposal for a budget for the 2009-2010 fiscal year followed in December. Both proposals included provisions to raise the base sales tax to 8.75 percent and apply the tax to veterinary services, among other services such as appliance and furniture repair, golf fees, vehicle repair and amusement parks.

In response, the California Veterinary Medical Association launched a statewide campaign opposing the proposed sales tax on veterinary services and asked its more than 6,000 members to write letters to the governor to explain the hardships the tax could impose on pet owners and crowded pet shelters.

William Grant II, DVM, president of the CVMA, called the tax discriminatory because it singled out only one healing-arts profession.

On Thursday, the CVMA issued a joint press release with The Humane Society of the United States thanking the governor for responding to the public's opposition to the veterinary tax.

"Requiring pet owners to pay a tax to care for their animals is bad public policy," Grant said. "We are pleased members of the 'Big Five,' including the governor, recognized that and the proposed tax was removed from the final budget bill."

The budget proposal to extend the sales tax to veterinary services could have added up to 10 percent to the cost of caring for animals in California, according to the state Legislative Analyst's office. CVMA maintained that this would have endangered the health and well-being of animals kept as pets, raised on farms or sheltered by humane agencies.

The CVMA said there is still work to do because there may be budget revisions in the future. The association added that it will continue to monitor the special tax commission appointed by the governor to restructure and modernize California's tax system and any proposals that could affect the taxation of veterinary medicine in the future.