



City of
Golden

FINANCE DEPARTMENT
SALES TAX DIVISION

911 10TH ST
GOLDEN, CO 80401
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**CITY OF GOLDEN
FINANCE DIRECTOR**

**ADMINISTRATIVE DIRECTIVE REGARDING PRESCRIPTION DRUGS FOR ANIMALS, VACCINATIONS,
MEDICAL SUPPLIES AND MICROCHIPS**

With respect to veterinary service and supplies, the following shall be utilized to determine taxability under Chapter 3.03 of the Golden Municipal Code:

Definitions:

"Prescription drugs for animals" means drugs dispensed in accordance with any order in writing, dated and signed by a practitioner, or given orally by a practitioner, specifying the animal for which the medicine or drug is offered and directions, if any, to be placed on the label.

"Medical supplies" means drugs dispensed in accordance with a prescription; insulin in all its forms dispensed pursuant to the direction of a licensed physician; glucose usable for treatment of insulin reactions; urine and blood-testing kits and materials; insulin measuring and injecting devices, including hypodermic syringes and needles; prosthetic devices; wheelchairs and hospital beds; drugs or materials when furnished by a doctor as part of professional services provided to a patient; and correctable eyeglasses, contact lenses, or hearing aids.

3.03.040 Exemption from sales tax

(a)(3) Sales of medical supplies. This exemption shall not encompass items purchased for use by medical and dental practitioners or medical facilities in providing their services, even though certain of those items may be packaged for single use by individual patients after which the item would be discarded.

Directive:

All veterinarians providing services in the City must be licensed with the City for sales/use tax. This includes mobile veterinarians coming into the City even though their office location is outside the City.

Sales of tangible personal property made by a veterinarian within the City are subject to sales/use tax; including but not limited to the sale of pets, pet food, pet supplies, supplements, microchips and prescription drugs. Microchips are not considered a medical supply, as they serve no *medical* purpose, and therefore would be taxable just like a collar or ID tag would be taxable.

Vaccines are considered to be medical supplies and not prescription drugs when they are administered by the veterinarian to the patient, and therefore not taxable, if they are accounted for separately in the company accounting records.

Prescription drugs, including vaccines, which are sold directly to a pet guardian by a veterinarian or pharmacy, are subject to sales tax.

Prescription drugs are not taxable when sold directly to a veterinarian if the veterinarian will be reselling the drugs and collecting sales tax. Prescription drugs are taxable when sold directly to a veterinarian if the drug will be used in providing services. The veterinarian has the choice of paying the sales tax or



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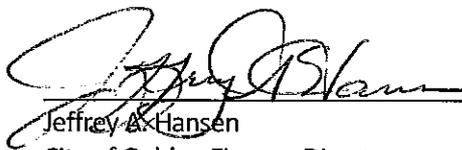
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remitting use tax on drug purchases when the drugs will be used to perform a service. If the drug cost is insignificant to the cost of the service provided, the veterinarian may choose to pay the tax on the drug upon purchase and not charge tax on the drug charged to the pet guardian.

If tax is not charged on purchases of drugs used to provide services, pet supplies, pet food or any other purchases for use in the veterinarian's business and not for resale, the veterinarian must remit use tax to the City.

Examples:

1. A dog is brought to a veterinarian's office for a skin infection and the guardian also requests the dog be vaccinated. The veterinarian cleans the wound and applies an antibiotic and gives the guardian a tube of antibiotic to apply at home. The veterinarian also vaccinates the dog. The bill to the pet guardian lists the vaccination \$25.00, the office visit \$25.00 and the tube of antibiotics \$15.00. Tax must be charged on the bill for the tube of antibiotics being sold to the pet guardian. The vaccination and the antibiotic used in the office as part of the professional service would not taxable.
2. A Golden veterinarian purchases a computer and picks it up in Lakewood, purchases office supplies at a store in Golden, and surgical supplies over the internet. The veterinarian will need to remit use tax on any transaction when a legally imposed City sales tax has not been paid or the sales tax paid is less than 3%.



Jeffrey A. Hansen

City of Golden Finance Director

Approved this 14th day of April, 2009