

<date>

<name>

<title>

<company>

<address>

<city, state, zip>

### Formal Ruling 2006-04

Dear <name>:

You have requested a ruling on behalf of your employer, <company> regarding whether the Vermont sales and use tax applies to the sale of medicinal and non-medicinal veterinary supplies.

According to your letter, <company> sells to its customers medicinal and non-medicinal veterinary supplies as well as items such as collars, leashes, chew items, bowls and litter. <Company> does not collect tax on the sale of any items if a customer presents a valid resale certificate. Some customers, however, have asserted that they are not required to pay tax on any items even if those items are not purchased for resale and are of the type commonly available for use by pet and livestock owners and not specific to veterinary use.

Vermont imposes a sales tax upon the receipts from the sale of tangible personal property sold at retail in the state. 32 V.S.A. § 9771(1). Pursuant to 32 V.S.A. § 9741(3), veterinary supplies are specifically exempt from the tax.

Because the term “veterinary supplies” is not defined by Vermont statute or regulation, the Department construes the statutory language so that the words used are given their common and ordinary meaning. *State v. Kreth*, 150 Vt. 406, 415 (1988) (where legislature did not find it necessary to define statutory words, their ordinary meaning was presumably intended). Accordingly, the veterinary supplies exemption is limited to those supplies which are used directly in the treatment of animals by a veterinarian. The exemption is product-, rather than use-based; items normally used as veterinary supplies are exempt even when sold for some other use, and items that have a more generic use are not exempt even if used by a veterinarian. Exempt items include, but are not limited to, surgical instruments, gloves, sterilization equipment, bandages, wormers, hypodermic needles, syringes, and topical, oral and injectable medications. Leashes, collars, pet food, bowls, toys, chew items, litter and like products that are typically used by pet and livestock owners in the care of their animals do not constitute exempt

veterinary supplies and absent a valid resale certificate, sales tax should be charged to the purchaser.

This ruling is issued solely to your business and is limited to the facts presented as affected by current statutes and regulations. Other taxpayers may refer to this ruling to determine the Department's general approach, but the Department will not be bound by this ruling in the case of any other taxpayer or in the case of any change in the relevant statute or regulations.

Section 808 of Title 3 provides that this ruling will have the same status as an agency decision or an order in a contested case. You have the right to appeal this ruling within thirty days.

Sincerely,

Judith Henkin  
Attorney for the Department

Approved this \_\_\_\_ day of \_\_\_\_\_, 2006.

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Tom Pelham  
Commissioner of Taxes