



Veterinarians Oppose A Tax On Veterinary Services In California

The California Veterinary Medical Association has launched a campaign to oppose Gov. Schwarzenegger's proposed tax on veterinary services.

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The California Veterinary Medical Association launched a statewide campaign November 14, 2008, opposing Gov. Arnold Schwarzenegger's proposed tax on veterinary services, among other services, to help fix the state's \$11.2 billion budget shortfall.

"Subjecting complicated veterinary medical procedures and treatments to taxation would be the same as taxing health care for children in California," said William Grant, II, DVM, president of the CVMA. "What will happen to the sick or injured pets or people already struggling with potential home foreclosures and job losses? How much more heartbreak is it fair to ask of our fellow citizens?"

The CVMA is asking its membership of more than 6,000 veterinarians to write letters to the governor about the hardship this proposed sales tax would have on consumers, the potential adverse impact on overcrowded pet shelters and the unintended consequence of increases in food prices at the supermarket due to taxes on care for food production animals.

Grant added that the tax would be discriminatory because it singles out only one healing arts profession.

However, H.D. Palmer, deputy director for External Affairs at the California Department of Finance, points out that the broadening sales tax does not just apply to veterinarians.

"There was no attempt to single out veterinarians," said Palmer, who serves as a spokesman for the governor on budget and fiscal issues.

The decision to extend the sales tax to certain services—including appliance and furniture repair, vehicle repair, golf fees and amusement parks—was based on which services are already part of a sales tax, he said.

For instance, mechanics already charge a sales tax on retail products, now the tax will also apply to the labor. The same is true with veterinary services, he said.

"[Broadening the sales tax] was one of the many difficult decisions the governor has had to make," Palmer said. "But there will be hardships and difficulties if we fail to take immediate action."

About \$357 million will be generated by broadening the sales tax, according to Palmer.

In addition to the tax increases, Schwarzenegger proposed spending cuts in education, health care and welfare payments.

The plan will now be negotiated among leaders of the state Legislature. If passed, it would be effective Feb. 1, 2009.