



California's Budget Will Not Tax Veterinary Services

A proposal to tax veterinary services in California has been rejected.

By SmallAnimalChannel News Division

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The California Legislature has passed a 17-month budget that does not include Governor Arnold Schwarzenegger's earlier proposal to broaden the sales and use tax to include veterinary services.

In November 2008, the governor issued a proposal for a solution to 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, as well as 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. It asked its more than 6,000 member veterinarians 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.

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," Dr. 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." Thousands of Californians called an automated phone number established by the governor's office to allow residents to express their support or opposition for the proposal.

"The opposition of veterinarians, pet owners and concerned citizens was so intense, a special extension was added to the governor's budget voicemail line to handle the opposition to the tax on pets," Grant said. "We believe the overwhelming number of calls delivered an emphatic message to the governor that taxing pet owners would be hugely unpopular and inequitable."

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 that while this is a great accomplishment, there is still work to do. 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.

"We know the fight to protect animal care from taxation is not over," Grant said. "Our membership remains firmly opposed to taxes that will force our clients to make untenable decisions affecting the quality of life for their pets and that might put our food supply at risk. It was wrong last week and it will be wrong next year."