



STATE BOARD OF EQUALIZATION

1502 Homes-for-the-aged maintaining licensed nursing-beds and medical staff.

December 2, 1963

X-----

Attention: X-----

Gentlemen:

This is in response to your request for an opinion on whether drugs furnished by the X----- are exempt from tax. You state that the home is a geriatric institution which 240 licensed nursing beds, and that it has a registered pharmacist who dispenses drugs to the residents of the home as prescribed by members of the medical staff.

If a charge is made for the drugs dispensed by the registered pharmacist, the sales would be exempt from tax under the provision set forth in section A(1) of ruling 22, copy enclosed. Furthermore, it appears that your institution qualifies as a "hospital," and therefore that the drugs are tax exempt under the provision set forth in section A(#) of the ruling, regardless of whether a specific charge is made. A recent amendment to the law provided that the term "hospital," as used in the exemption, should have the meaning ascribed to the same term in section 1401 of the Health and Safety Code. It is our opinion that the statutory definition found therein is broad enough to include a home for the aged which maintains licensed nursing beds and a regular medical staff. See section G of the ruling.

If we can be of any further assistance, please do not hesitate to contact us again.

Very truly yours,

E. H. Stetson
Tax Counsel

PM:o'b

Cc: San Francisco – District Administrator

Enc.