



425.0163.600

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

916-445-2641

January 17, 1977

REDACTED TEXT

Dear REDACTED TEXT,

It has been called to our attention that, by our letter to you of August 17, 1976, we may have misadvised you as to the proper application of the California sales tax to sales of your products RIA-Mat Angiotensin II 125 Kit and Res-O-Mat T3I 125. We advised you that the two items qualified as "medicines" under paragraph (b) (1) of our Regulation 1591.

Although both items in question were expressly described by you in vitro assay diagnostic systems, you also stated in your letter of July 23, 1976, that the items were used "...by the application of the component substances in the test kit externally to the patient's body...." We misinterpreted this language to mean that the component substances were applied to the body externally.

It is our understanding that the two items are used exclusively in laboratory specimen tests and that no part is applied to the human body either internally or externally. "Medicines" is limited to those substances "intended for use by external or internal application to the human body." Items used in laboratory testing performed "externally to the patient's body" do not qualify as items externally applied to the human body within the meaning of the regulation.

We apologize for any inconveniences our misperception may have occasioned you.

Very truly yours,

Gary J. Jugum
Tax Counsel

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