

California Tax Hike to Include Pet Health Services

Vet associations express concern that cat and dog owners may skip veterinary care.

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California Gov. Arnold Schwarzenegger announced a plan Thursday that would extend sales tax to include veterinary services, among other services, to help fix the state's \$11.2 billion shortfall.

"We have drastic problems that require drastic and immediate action — we must stop the bleeding right now," Schwarzenegger said in a statement.

Hawaii, New Mexico, and South Dakota are the only states that tax veterinary medical services, including routine exams and vaccinations, according to the American Veterinary Medical Association's state tax summary report. While California does not tax ancillary services, such as grooming and boarding, or prescription medications, it does tax non-prescription products, as do 33 other states.

Eight states reported that there were no taxes of any kind charged on animal products or services.

"So, as you can see, the regulations and exemptions on sales tax vary greatly from state to state," said David Kirkpatrick, AVMA media relations manager.

Members at the California Veterinary Medical Association are not thrilled with Schwarzenegger's plan.

"We strongly believe that pets are members of the family," said Valerie Fenstermaker, CVMA executive director. "Any tax on veterinary services may prevent people getting good medical care for their pets. We believe that veterinary care, along with human care, should not be taxed." Fenstermaker said CVMA was exploring its options to see what it could do to prevent this from happening.

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

The plan will now be negotiated among leaders of the state Legislature.