

# SPECIAL NOTICE

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For further information contact:  
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Alternate Formats (360) 486-2342  
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## UPDATE - SALES AND USE TAX EXEMPTION FOR ANIMAL PHARMACEUTICALS SOLD TO FARMERS OR VETERINARIANS

This Special Notice is provided to assist vendors and purchasers in determining the eligibility of animal pharmaceuticals for sales and use tax exemption. Effective August 1, 2001, RCW 82.08.880 and RCW 82.12.880 provide a sales and use tax exemption for purchases of animal pharmaceuticals by farmers or veterinarians if the pharmaceuticals will be administered to animals that are raised by farmers for the purpose of producing agricultural products for sale. Only those animal pharmaceuticals approved by the United States' Department of Agriculture or Food and Drug Administration qualify for the exemption.

These federal agencies have an established approval process set forth in federal regulations. The United States' Food and Drug Administration maintains a list called the "Green Book" of all approved animal pharmaceuticals. The list is available on the FDA's web site (<http://www.fda.gov/cvm/greenbook/elegbook.html>) and published annually in hard copy. Additionally the United States' Department of Agriculture annually maintains and updates a list of approved biotechnology products.

**Pharmaceuticals that are not on either of these lists have not been approved and are not eligible for the tax exemption.** Some examples of non-approved pharmaceuticals include some brands of antiseptic udder washes (teat dips) and salves, injectable vitamins, and others. These pharmaceuticals have not completed the approval processes set out in federal regulations.

### Documentation of Exempt Sales

When making exempt purchases, buyers must provide sellers with completed exemption certificates. The certificates should list the animal pharmaceuticals purchased. In situations where a buyer makes repeated purchases of animal pharmaceuticals from the same vendor, that vendor may accept one copy of the certificate to keep with the buyer's purchase file, and may maintain copies of invoices to keep track of subsequent exempt sales of animal pharmaceuticals. Absent the completed certificate, the vendor must collect the retail sales tax from the purchaser. Without proper documentation, vendors will be liable for payment of the retail sales tax on sales claimed for exemption.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.

