

The Louisville Municipal Code (LMC) exempts the performing of professional and medical services from sales tax. Such services may include exams, diagnosis, treatment, surgery, euthanasia, boarding, and grooming so long as such charges for services are separately stated on the invoice or bill.

Prescription Drugs

Prescription drugs for animals means “a drug which, prior to being dispensed or delivered, is required by the federal Food, Drug, and Cosmetic Act, 21 U.S.C. Sect. 301, et. Seq., as amended, to state at a minimum the symbol “Rx Only”, and is dispensed in accordance with any order in writing, dated and signed by a licensed veterinarian, specifying the animal for which the medicine or drug is offered and directions, if any, to be placed on the label.”

Prescription drugs which meet the above definition are exempt from Louisville sales tax.

Non-exempt Drugs, Food and Pet Supplies

Veterinarians should purchase items to be resold in the normal course of business without the payment of sales tax by obtaining a State of Colorado sales tax license. Sales tax should be charged by the veterinarian to the customer on the marked-up selling price of non-exempt items at the time of sale. Items which are not exempt from City sales tax include, but are not limited to, drugs not requiring a prescription, pet food, treats, vitamins, nutritional supplements, grooming supplies, leashes, collars, toys, books, CD's or other similar items.

Purchases by Veterinarians

Veterinarians are considered the consumer of medical supplies and goods used in their practice. All items used, consumed, stored or distributed within the City of Louisville whether purchased, leased, or rented from sources inside or outside the City are subject to Louisville sales tax. If items are purchased without payment of sales tax, then use tax must be paid by the veterinarian to the City. Credit will be given for items purchased from other municipalities for which a lawfully imposed sales tax was paid.

Taxable business purchases include all equipment, instruments, medical tools, medical supplies, non-prescription drugs, office furniture and supplies, computers, software licenses and similar, which are used by the business in providing its veterinary services.

Examples

Pet Owner A brings their cat to Veterinarian X for its annual exam. The veterinarian administers a rabies vaccination and recommends the owner purchase a special formula cat food to help with joints. The exam charge is \$40, the vaccination \$25 and the bag of special cat food is \$18. The exam charge and vaccination are not subject to sales tax to the Owner, but the cat food charge of \$18 is taxable. The veterinarian should have purchased the pet food tax-exempt for resale.

Pet Owner B brings their dog to Veterinarian Y on an emergency basis. The dog has been involved in a fight and has serious wounds. The Veterinarian sedates the dog, administers antibiotics and fluids and recommends surgery to clean and suture

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the wounds. The Veterinarian will keep the dog overnight for observation. The charge to the owner for the emergency visit is \$100, the surgery is \$300, the injections and IV's are \$150, and the overnight stay is \$75. None of the charges are subject to City sales tax to the Owner; however, the veterinarian must pay Louisville use tax on any non-prescription drugs, as well as items used during the surgery and overnight stay such as gauze, bandages, cleaning solutions, sutures, and pet food.

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