

Buying and Selling Dogs, Cats, and Other Non-food Animals

This tax fact sheet is designed to help you understand how sales or use tax applies on sales or purchases of dogs, cats, and other non-food animals. Sales tax generally applies to sales of animals, birds, reptiles, and insects that do not meet the definition of "food animals", whether they are used for working stock, breeding, pets, or other purposes. Please see Regulation 1587, *Animal Life, Feed, Drugs and Medicines*.

Sales and Use TAX FACTS

Publication 122 • LDA

For additional information you may download forms and publications from our website or you may call our Information Center to talk to a Board of Equalization representative.

For assistance, please call
800-400-7115
TDD/TTY 800-735-2929.

Board website and Member contact information:
www.boe.ca.gov

Pet sellers generally need a seller's permit

Generally, you must register with the Board of Equalization (Board) for a seller's permit if you are engaged in the business of selling dogs, cats, or other animals which are considered non-food animals in California.

There are some *exceptions*:

- If you sell no more than two pets or other non-food animals during a twelve-month period, you are not required to hold a seller's permit.
- Cities, counties, or other local government animal shelters or nonprofit animal welfare organizations—those that primarily prevent abuse, neglect, or exploitation of animals—are not required to collect sales tax for charges related to the adoptions of pets.

Non-food animals defined

Non-food animals are animals commonly kept as pets or companions, and are not sold for food (human consumption).

Non-food animals include animals such as:

Dogs and Cats	Horses
Tropical fish	Pet birds
Monkeys	Chinchillas and Mink
Earthworms	Llamas
Rodents such as guinea pigs, rats, hamsters, and mice	
Reptiles such as iguanas, lizards, or snakes	

Applying tax to sales of pets or other non-food animals in California

If you sell more than two pets or other non-food animals in a twelve-month period, you must obtain a seller's permit, and report and pay sales tax to the Board. The rate of sales tax will depend on the location of the sale. (See publication 71, *California City and County Sales and Use Tax Rates*.)

Purchasing pets from out-of-state

If you purchase a pet or other non-food animal from outside California, you are generally liable for use tax on your purchase. If you hold a seller's per-

BOARD OF EQUALIZATION MEMBERS

RAMON J. HIRSIG
Executive Director
Sacramento

BETTY T. YEE
First District
San Francisco

BILL LEONARD
Second District
Ontario/Sacramento

MICHELLE STEEL
Third District
Rolling Hills Estates

JUDY CHU
Fourth District
Los Angeles

JOHN CHIANG
State Controller



mit, you must pay use tax on line two of your sales and use tax return in a timely manner. If you do not hold a permit with the Board, you may report your use tax on an out-of-state purchase by entering the transaction on your annual California state income tax return or on the Board's publication 79-B, *California Use Tax*.

Purchasing food for pets or other non-food animals

If you sell pets, other non-food animals, and breeding stock, you may purchase their food without tax by issuing a resale certificate to the vendor at the time of the purchase. Conversely, purchases of food for pets or other non-food animals that are *not* held by you for sale in the regular course of business are subject to sales or use tax.

Purchasing drugs or medicines for pets or other non-food animals

Sales of drugs or medicines for pets or other non-food animals are subject to tax, regardless whether or not the animals are being held for sale in the regular course of business. These drugs or medicines can be administered orally, hypodermically, topically or externally as injections, implants, drenches, repellents, or pour-ons to pets or other non-food animals. See Regulation 1587(c)(1) for more information.

However, tax does not apply to the sale or use of such drugs or medicines when added to feed or drinking water for pets or non-food animals held for sale. If you buy drugs or medicines which are mixed with the *feed or drinking water* of pets or other non-food animals for resale, you may issue an exemption certificate to the vendor. See Regulation 1587(d)(2)(C).

Purchases of pet care or non-food animal supplies

When you purchase pet care and animal-related products such as tack, cages, kennels, bedding, and pet supplies, they are taxable. If you purchase these items from out-of-state without tax, you must report and pay use tax to the Board on your purchase.

Additional information available from our Information Center or our website.

Publications	Regulations
18 Tax Tips for Nonprofit Organizations	1587 Animal Life, Feed, Drugs and Medicines
36 Tax Tips for Veterinarians	1595 Occasional Sales—Sale of a Business—Business Reorganization
42 Resale Certificate Tips	Sales and use tax law sections (Revenue and Taxation Code)
51 Guide to Board of Equalization Services	6010.40 "Sale" and "purchase"; pet adoptions
66 Tax Tips for the Agricultural Industry	
70 Understanding Your Rights as a California Taxpayer	
71 California City and County Sales and Use Tax Rates	
73 Your California Seller's Permit	
79-B California Use Tax	
107 Do You Need a California Seller's Permit?	

Taxpayers' Rights Advocate

Call toll-free for help with problems you have not been able to resolve through normal channels: 888-324-2798

Note: The statements in this fact sheet are general and are current as of August 2007. The sales and use tax law and regulations are complex and subject to change. If there is a conflict between this publication and the law or regulations, decisions will be based on the law and regulations.

