

REG-1-078, Veterinarians and Veterinary Medicines

078.01 The following definitions apply to this regulation.

078.01A Veterinary medicines include medicines for the prevention or treatment of disease or injury in animals and include all drugs, antibiotics, viruses, serums, toxins, antitoxins, or analogous products of natural or synthetic origin.

078.01B Agricultural chemicals include pesticides, insecticides, fungicides, growth-regulating chemicals, hormones, and rodenticides or any other substance or mixture intended for use in preventing, destroying, repelling, or mitigating pests of animals, or to affect the structure or function of animals.

078.01C Food-producing or pelt-producing animals include animal life, the products of which ordinarily constitute food for human consumption; or the pelts of which are ordinarily used for human apparel. Cattle, sheep, swine, mink, chinchillas, poultry, goats, game birds subject to permit and regulation by the Game and Parks Commission, and bees are examples of food-producing or pelt-producing animal life.

078.01D Non-food producing animals include zoo animals, parakeets, canaries, horses, donkeys, mules, domesticated elk and deer, ostriches, emus, and pets, such as cats, dogs, and birds, or breeding stock of any of these animals.

078.01E Providing professional services means the veterinarian has established a doctor-patient, or doctor-client relationship with the client.

078.01F Livestock means any domestic cattle, horses, mules, donkeys, sheep, or swine.

078.02 Veterinarians are engaged in the business of providing professional services to owners of domestic animals through care, medication, and treatment of their animals. Charges for professional services provided by veterinarians and veterinary clinics are not taxable.

078.03 Veterinarians and veterinary clinics are consumers of all property and services they purchase for use in providing professional services and they are required to pay sales or use tax on all purchases except:

078.03A Purchases of veterinary medicines and agricultural chemicals to be used in the treatment or care of food-producing or pelt-producing animals;

078.03B Purchases of feed and feed supplements to be fed to food-producing or pelt-producing animals;

078.03C Purchases of veterinary medicines, agricultural chemicals, and other products that are not used to provide professional services but are sold at retail; and

078.03D Purchases of animal specialty services for livestock.

078.04 Veterinarians and veterinary clinics that purchase items without paying sales or use taxes and use these items when providing professional services must remit use tax on the cost of the item, unless the item is otherwise exempt.

078.05 Veterinarians or veterinary clinics that sell veterinary medicines, agricultural chemicals, feed, feed supplements, veterinary supplies, equipment, or other products, or provide animal specialty services, separate from providing professional services, are required to collect sales tax from their customers, unless the sales are otherwise exempt.

078.05A See Reg-1-063, Feed, Water, Agricultural Chemicals, And Veterinary Medicines for Animal Life, for details regarding documentation required to support certain exempt sales.

078.05B See Reg-1-102, Animal Specialty Services, for details regarding taxability of animal specialty services.

078.05C If a veterinarian or veterinary clinic paid sales tax at the time of purchase on the items sold, sales tax must be collected from the customer on the full retail price. The veterinarian or veterinary clinic will remit to the state the difference between the sales tax collected from the customer and the sales tax previously paid by the veterinarian or veterinary clinic on those items.

078.06 Items used in providing professional services are not retail sales regardless of how the charges are itemized on the billing invoice.

078.07 The practice of veterinary medicine is not commercial agriculture. Therefore, machinery and equipment purchased by veterinarians and veterinary clinics to be used in their veterinary practice are not exempt under Reg-1-094, Agricultural Machinery and Equipment Refund.

(Neb. Rev. Stat. §§ 54-183, 77-2701.16(3)(g), and 77-2704.41. June 24, 2017.)