



## **KVMA Position and Talking Points on HB 366 (6 % Sales Tax on Small Animal Veterinary Services)**

**Position: The Kentucky Veterinary Medical Association opposes subjecting small animal veterinary services to a 6% tax, as proposed in House Bill 366, section 37.**

- Veterinarians are health care providers whose services are medically necessary for animals while also protecting public health. An important role of veterinarians is to educate clients on proper animal care. Keeping animals healthy lowers the risks to humans of zoonotic diseases such as rabies, leptospirosis, flea and tick borne diseases, and other parasites. Veterinarians are considered by major health organizations such as the Centers for Disease Control as being a major contributor to the One Health concept. Veterinary medical care should not be treated any differently than human medical care.
- A sales tax on services could limit or delay veterinary medical care by making the care more expensive, causing unnecessary pain and suffering for animals. A 2011 survey by the American Veterinary Medical Association (AVMA) showed that 29.3% of dog owners and 21.5% of cat owners did not visit a veterinarian in the previous year due to an inability to pay. Adding a 6% tax will only increase those numbers. Unlike human health care, veterinary services are not widely covered by insurance, so increased costs will also result in increased abandonment and euthanasias.
- Pets are members of the family and an important source of companionship. This tax will be especially burdensome to elderly and disabled people that are on a fixed income, a group for whom the human-animal bond is especially important for their health. This tax will also be an added expense to those people that own service or working animals.
- A sales tax on veterinary services will also increase the cost of spays and neuters, thus decreasing their affordability. The consequences of this fact will lead to further overcrowding in shelters and more feral dogs and cats which may contract and transmit diseases to humans.
- According to the AVMA, only three states currently tax veterinary services, none of which border Kentucky. Veterinary clients in counties close to the state line may go to veterinarians across the state lines to avoid the 6% tax on small animal veterinary visits and procedures in Kentucky, causing veterinarians in Kentucky to have decreased revenues.
- This bill does not expand the sales tax to most services. Therefore, small animal owners would be unfairly targeted for taxation, and veterinary services would be the only health care professional services taxed by the state. Veterinarians are health care professionals and are subject to many of the same laws and regulations as other health care providers. Most small animal veterinary practices in the state are small businesses that provide significant employment opportunities and economic benefits to their communities. This proposed tax will impose additional administrative costs for these businesses.