

## **NOTICE REGARDING THE SALE OF PRESCRIPTION DRUGS USED TO TREAT ANIMALS**

Veterinarians commonly prescribe drugs which are formulated for human use but are used to treat animals. Although the New Jersey Sales and Use Tax Act provides an exemption from tax on the sale of prescription drugs sold pursuant to a doctor's prescription for **human use** (N.J.S.A. 54:32B-8.1(a)(1)), the sale of drugs sold pursuant to a veterinarian's prescription to treat animals is subject to sales tax even though the same drug is exempt when sold for human use.

“Drug” means a compound, substance or preparation, and any component of a compound, substance or preparation, other than food and food ingredients, dietary supplements or alcoholic beverages:

1. recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them; or
2. intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or
3. intended to affect the structure or any function of the body.

N.J.S.A. 54:32B-8.1(b).

**Pharmacies** are required to collect and remit sales tax when selling prescription drugs prescribed by a veterinarian for use in the treatment of animals.

**Veterinarians** are required to collect and remit sales tax on retail sales of drugs if the bill to the customer separately states the charge for the drugs to the customer as opposed to merely listing the items used in the performance of medical services.

**Consumers** who do not pay sales tax when purchasing prescription drugs prescribed by a veterinarian for use in the treatment of animals must pay use tax.

For more guidance on the sale of prescription drugs by veterinarians and pharmacies please see: [Publication ANJ-12 Veterinarians & New Jersey Sales Tax](#) and [Technical Bulletin TB-63\(R\) Health Care Products: Drugs, Grooming and Hygiene Products, Prosthetic Devices, Durable Medical Equipment, and Mobility Enhancing Equipment](#). For information on how to remit and pay use tax please see: [Publication ANJ-7 Use Tax in New Jersey](#).