

**DEPARTMENT OF TAXATION  
2025 Fiscal Impact Statement**

1. **Patron** Todd E. Pillion
3. **Committee** Senate Finance and Appropriations
4. **Title** Retail Sales and Use Tax Exemption for Veterinarians

2. **Bill Number** SB 1369  
**House of Origin:**  
  X   **Introduced**  
      **Substitute**  
      **Engrossed**
- Second House:**  
      **In Committee**  
      **Substitute**  
      **Enrolled**

**5. Summary/Purpose:**

This bill would extend the sunset date for the exemption from the Retail Sales and Use Tax for veterinarians from Retail Sales and Use Tax on their purchases of prescription medicines and drugs that are administered or dispensed to patients within a veterinarian-client-patient relationship until June 30, 2028.

Under current law, the exemption for sales of prescription medicines and drugs purchased by veterinarians and administered or dispensed to patients within a veterinarian-client-patient relationship is scheduled to expire on June 30, 2025.

If enacted during the regular session of the 2025 General Assembly this bill would become effective July 1, 2025.

6. **Budget amendment necessary:** No.
7. **Fiscal Impact Estimates are:** (See Line 8.)
8. **Fiscal implications:**

Administrative Costs

The Department of Taxation considers implementation of this bill as routine and does not require additional funding.

Revenue Impact

As the extension of expiring sales tax exemptions is assumed in the official revenue forecast, extension of the sunset date for the exemption would have no revenue impact.

**9. Specific agency or political subdivisions affected:**

Department of Taxation

**10. Technical amendment necessary:** No.

**11. Other comments:**

Background

The Retail Sales and Use Tax is imposed upon the charge for the sale or use of tangible personal property, unless an exemption applies. Virginia law defines “tangible personal property” as personal property that may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. In general, any retail merchant is allowed to purchase items that it intends to resell to its customers exempt from the tax because it will collect the tax from its customers at the time of sale.

Legislation enacted in the 2022 Session of the General Assembly, House Bill 551 and Senate Bill 517 (2022 *Acts of Assembly*, Chapters 551 and 552) granted a Retail Sales and Use Tax exemption for veterinarians on their purchases of prescription medicines and drugs that are administered or dispensed to patients within a veterinarian-client-patient relationship.

In addition, Item 3-5.13 of the 2024 Appropriation Act prohibits the General Assembly from advancing the sunset date of any existing sales tax exemption beyond June 30, 2030.

Proposal

This bill would extend the sunset date for the exemption from the Retail Sales and Use Tax for veterinarians from Retail Sales and Use Tax on their purchases of prescription medicines and drugs that are administered or dispensed to patients within a veterinarian-client-patient relationship until June 30, 2028.

If enacted during the regular session of the 2025 General Assembly this bill would become effective July 1, 2025.

Similar Legislation

**House Bill 1698** is identical to this bill.

cc : Secretary of Finance

Date: 01/15/2025 KS  
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