



March 17, 2009

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Mr. Gerald Parsky, Chair
Commission on 21st Economy
915 L Street, 8th Floor
Sacramento, CA 95814

Re: TOC Opposition to Veterinary Services Sales Tax

While supportive of the Commission's efforts to stabilize state revenue and create a more responsible tax structure, the Thoroughbred Owners of California ("TOC") wishes to express its opposition to any proposal to impose a sales tax on veterinary services provided within California. Such a tax would create significant financial hardships on California's Thoroughbred racing industry, at a time it is fighting for survival.

Veterinary health care services make up a large part of horse ownership costs that relate to an imperative duty of animal husbandry. The imposition of a sales tax on such veterinary services would drive up the cost of horse ownership. This tax would dissuade many horse owners from continuing to provide the type of care necessary to maintain healthy animals and will have dire consequences for the general equine population.

Unlike human health care, health insurance is not available for horses. Accordingly, veterinary owners are more apt to put off necessary treatments for reasons of affordability. The unintended consequence of this proposal will result in horses not receiving the medical care they need and deserve, and lead to abandonment or euthanasia in lieu of more expensive life sustaining services.

Veterinarians are clearly health care professionals and are subject to many of the same laws and regulations as other health care providers. Veterinary medicine should not be singled out for this tax – it should not be taxed any differently than human medical care.

The existence of a healthy thoroughbred industry in California is important to this state's agricultural economy and over 130,000 equine-related jobs. TOC respectfully asks you eliminate any proposed sales tax on veterinary services from your Commission's recommendations to help preserve this vital industry.

Thank you for your consideration of our position.

Sincerely,

Drew J. Couto
President

cc: Board Members, Commission on 21st Economy