



THE CAT FANCIERS' ASSOCIATION, INC.

World's Largest Registry of Pedigreed Cats

ADVOCACY IN ACTION

“PET TAXES”

Punishing Responsible Pet Owners

In these hard economic times state and local governments are searching for ways to raise more revenue. Some states are considering or have already placed special taxes on pet food or pet related services. Local governments are tempted to raise, or create, direct taxes on pets under the guise of pet license fees¹. Often these funds are earmarked for specific animal related services, such as spay and neuter programs. In California there is a proposal to tax veterinary services (along with appliance and automobile repair) as a way to balance the budget. As taxpayers we all pay our share for services provided to us by the government, but who should pay for government-run animal services such as low cost spay/neuter or "trap, neuter & return" (TNR) programs?

There are many possible answers to that question. It may be that we should single out just the irresponsible pet owners to pay for animal services. Or maybe we should tax the responsible pet owners to pay for animal services (as is often proposed). Or animal services may be part of the general fund paid for by society as a whole. Each of these positions has its adherents. When deciding who is to bear the tax burden to fund a government program it is sometimes helpful to ask two more questions: who benefits from the program and who is causing the need for it?

Stray or abandoned or abused pets are as much of a problem and concern for people who don't own pets as those who do. There is no doubt that society as a whole benefits from well run low cost spay/neuter programs, TNR and other services. But responsible pet owners (other than the low income recipients of the s/n program) get no special or different benefit from the program than society as a whole receives. If a stray animal bites your child it makes no difference whether or not you happen to own a pet yourself. The injury is still the same and the benefits of preventing the problem is the same. If the responsible pet owners get no different benefit than their non pet owning neighbors, why single them out for taxation? Do we single out the elderly for taxation to pay for senior services? Do we tax only people with children to pay for the police costs of dealing with teen gangs? From a benefits viewpoint this falls into the same category as other law enforcement.... it is part of the cost to be borne by society as a whole.

If the purpose of the tax is to shift the burden to those who are the cause of the problem then we need to examine the source. Numerous studies now show that 85% to 92% of all owned cats and 70% of owned dogs are already sterilized. A handful of irresponsible pet owners may be the cause of most of the problems, but it is almost impossible to get them to pay. The responsible pet owner is not part of the problem and rarely has any need of animal services. A tax targeted on pet ownership tars the responsible pet owner and the irresponsible one with the same brush. A responsible pet owner could rightfully ask the obvious question: if I didn't cause the problem why am I being singled out to pay for the solution?

One general rule of taxation is that you tax what you want to discourage. ("The power to tax is the power to destroyⁱⁱ.") Taxes are used as part of social policy to discourage activities that society as a whole finds

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unacceptable. We have "sin taxes" on cigarettes, alcohol, gambling and other vices to discourage people from smoking and drinking and gambling. Legislators love sin taxes because they generate an enormous amount of revenue but have less opposition than general taxes because they only affect those who use the products. We also have tariffs and excise taxes on imported goods and services to encourage local businesses and discourage outsourcing means of production. But neither pet ownership nor taking proper care of your pet have been declared by any state to be something we need to discourage through punitive taxation.

Taxing pets (or pet necessities) is a regressive tax in nature and hits the poor the hardest. Paris Hilton would pay the same tax on the food for her dogs as a poor family on limited income. Funding programs for the poor with a regressive tax seems like bad social policy. It also discriminates against the responsible pet owners and provides a deterrent to humane care for the animals.

In California the state is considering a proposal to tax veterinary services (along with appliance and car repair) to make up part of the budget deficit. Yes, cats are technically property, but since when is getting proper veterinary care for your pet in the same category as getting your toaster rewired? To most pet owners those are not the same thing. Singling out responsible pet owners for taxation, when some people can barely afford proper care for their pets already, discourages proper care and risks hurting pets. The California Veterinary Medical Association notes the risks stating:

Your proposal,[to tax veterinary services] if implemented, will serve as a significant disincentive for individuals seeking veterinary care for their animals, particularly during this sizeable economic downturn. Veterinary clients will not be able to afford treatments for their animals which will be detrimental to animal health and to the health of the public at large. The result will be that many animals won't get the medical care they need and they will be abandoned or euthanizedⁱⁱⁱ.

When people are abandoning pets at record levels in some areas due to the economic problems, taxing the responsible pet owners just doesn't make any sense. Whether we tax responsible pet owners by singling them out for special taxes such as cat licensing, taxing veterinary services or special pet food taxes we do the same thing; we penalize responsible pet ownership. When we as a society punish responsible pet ownership, that hurts pets.

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i Pet licensing began in the 19th century when free roaming dogs were a menace to people and livestock. Eventually the purpose shifted and now this is a major source of revenue for animal control budgets. *See generally* "PERCEPTIONS, MYTHS AND MISPERCEPTIONS" by Joan Miller <http://www.cfa.org/articles/legislative/perceptions.pdf>

ii As noted by the United States Supreme Court in *McCulloch v. Maryland*, 17 U.S. 327 (1819).

iii California Veterinary Medical Association, letter to Governor Arnold Schwarzenegger, November 12, 2008 http://www.cvma.net/images/cvmapdf/SalesTaxLtrGovernor_11_08.pdf