

**SURVEY OF STATES – RESPONSES
SELECTED MEDICAL ITEMS
AUGUST 14, 2006**

BEFORE SSUTA						
ST	Dialysis Equipment		Enteral Feeding Systems		Oxygen Delivery Equip.	
	Classification	Taxability	Classification	Taxability	Classification	Taxability
AL	Not considered DME, MEE, or PD	Taxable at the lower manufacturing rate of tax.	Supply Items and not DME.	Taxable	DME	Taxable unless paid for directly by Medicaid or Medicare
AR	TPP	Taxable	Adaptive Medical Equipment	Exempt when prescribed by a physician for a specific patient. Taxable to physicians, for-profit hospitals, nursing homes, or long-term care facilities.	Adaptive Medical Equipment	Exempt when prescribed by a physician for a specific patient. Taxable to physicians, for-profit hospitals, nursing homes, or long-term care facilities.
AZ	Prosthetics	Exempt	Prosthetics	Exempt	Specifically itemized in an exemption	Exempt
IA	Medical Device	Exempt	Medical Device	Exempt	Medical Device	Exempt
ID	DME	Exempt	Other Prosthetic Device	Exempt	DME	Exempt
IL	Specific statutory provision	Taxable, but at lower rate	Specific statutory provision	Taxable, but at lower rate	Specific statutory provision	Taxable, but at lower rate
IN	Medical Equipment	Exempt	Medical Equipment	Exempt	Medical Equipment	Exempt
KS	Prosthetics	Exempt if prescribed	Prosthetics	Exempt if prescribed	Medical Equipment	Generally taxable; exempt only if purchased by a nonprofit skilled nursing home or nonprofit intermediate nursing care home for providing medical care to residents

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KY	No definition	Taxable	No definition	Taxable	Specific provision	Exempt
MA	Specific statutory exemption	Exempt	Specific statutory exemption	Exempt	Specific statutory exemption	Exempt
MN	Therapeutic	Exempt	Therapeutic	Exempt	Therapeutic	Exempt
NE	DME	Exempt-For Home Use with Prescription	DME	Exempt-For Home Use with Prescription	Equipment	Specific Exemption-Exempt with Prescription
NJ	DME	Exempt, home use	DME	Exempt, home use	DME	Exempt, home use
NC	Therapeutic, prosthetic, or artificial device	Exempt if sold on written prescription	Therapeutic, prosthetic, or artificial device	Exempt if sold on written prescription	Therapeutic, prosthetic, or artificial device	Exempt if sold on written prescription
ND	Medical Equipment	Exempt	Equipment	Taxable	Equipment	Taxable
OH	Not Defined	Exempt to individuals as equipment to supplement impaired functions of the human body. Taxable to physicians, hospitals and medical facilities.	Not Defined	Exempt to individuals as equipment to supplement impaired functions of the human body. Taxable to physicians, hospitals and medical facilities.	Special Exemption	Exempt
OK	DME	Taxable, See Note	DME	Taxable, See Note	DME	Taxable, See Note
SC	DME	Taxable	DME	Taxable	DME	Taxable
SD	DME	Exempt when prescribed	DME	Exempt when prescribed	DME	Exempt when prescribed

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TN	Prosthetic	Exempt	Entereal pumps and equipment such as IV poles for this purpose are prosthetics. Entereal supplies are taxable.	Partial Exemption	Specific Exemption for Oxygen Admin. Equipment	Exempt
UT	Medical Equipment	Exempt if used exclusively by the person and prescribed by a physician	Medical Equipment	Exempt if used exclusively by the person and prescribed by a physician	Medicine	Exempt if prescribed by a physician
WA	None	Exempt	None	Taxable	None	Exempt
WI	No classification - not prosthetic because "not worn" as required for our exemption.	Taxable	No classification - not prosthetic because "not worn" as required for our exemption.	Taxable	Oxygen Administration Equipment	Exempt

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AL	Not considered DME, MME, or PD	Taxable at the lower manufacturing rate of tax.	Supply Items and not DME.	Taxable	DME	Taxable unless paid for directly by Medicaid or Medicare
AR	DME	Exempt w/ prescription for specific patient. Taxable to physicians, for-profit hospitals, nursing homes, or long-term care facilities.	DME	Exempt w/ prescription for specific patient. Taxable to physicians, for-profit hospitals, nursing homes, or long-term care facilities.	DME	Exempt w/ prescription for specific patient. Taxable to physicians, for-profit hospitals, nursing homes, or long-term care facilities.
AZ	Prosthetics	Exempt	Prosthetics	Exempt	Prosthetics	Exempt
IA	DME	Exempt	DME	Exempt	DME	Exempt
ID	Not an implementing state					
IL	Not an implementing state					
IN	DME	Exempt	DME	Exempt	DME	Exempt
KS	Prosthetics	Exempt if prescribed	Prosthetics	Exempt if prescribed	Medical Equipment	Generally taxable; exempt only if purchased by a nonprofit skilled nursing home or nonprofit intermediate nursing care home for providing medical care to residents
KY	DME	Taxed	DME	Taxed	Specific provision- See note	Exempt
MA	Not an implementing state					
MN	Prosthetic	Exempt	Prosthetic	Exempt	Prosthetic	Exempt

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NE	DME	Exempt-For Home Use with Prescription	DME	Exempt-For Home Use with Prescription	Equipment	Specific Exemption- Exempt with Prescription
NJ	DME	Exempt, home use	DME	Exempt, home use	DME	Exempt, home use
NC	DME	Exempt (sold on prescription)	DME	Exempt (sold on prescription)	DME	Exempt (sold on prescription)
ND	DME	Exempt	DME	Exempt	DME	Exempt
OH	DME	Exempt with prescription for home use	DME	Exempt with prescription for home use	DME	Exempt with prescription for home use Special exemption for purchases by hospitals, nursing homes and other medical facilities
OK	DME	Taxable, See Note	DME	Taxable, See Note	DME	Taxable, See Note
SC	Not an implementing state					
SD	DME	Exempt when prescribed	DME	Exempt when prescribed	DME	Exempt when prescribed

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ST	Dialysis Equipment		Enteral Feeding Systems		Oxygen Delivery Equip.	
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TN	Prescription durable medical equipment for home use is exempt.	Taxable unless for home use. (Nursing homes are considered a home.) For-profit hospitals and dialysis centers will pay tax on equipment and supplies.	Prescription durable medical equipment for home use is exempt.	Taxable unless for home use. (Nursing homes are considered a home.) For-profit hospitals and other healthcare facilities will pay tax on the pumps and other equipment. The supplies were already subject to tax.	Prescription durable medical equipment for home is exempt.	Taxable unless for home use. (Nursing homes are considered a home.) For-profit hospitals and other facilities will pay tax on equipment and supplies.
UT	DME	Exempt if used exclusively by the person and prescribed by a physician	DME	Exempt if used exclusively by the person and prescribed by a physician	DME	Exempt if prescribed by a physician
WA	DME	Exempt	PD	Exempt	DME	Exempt
WI	DME	Exempt if for home use	DME	Exempt if for home use	DME	Exempt if for home use

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Additional Comments:

Arkansas - Sales to non-profit and state supported hospitals are exempt. Medical equipment sold or leased to persons enrolled in and eligible for either Medicare or Medicaid is exempt.

Kentucky - Specific provision (similar to hospital beds) special provision for oxygen admin. equipment used by individuals.

Minnesota - Prior to adopting the SST definitions, MN exempted all three of these items as "therapeutic devices." Under the SST definitions, we believe that all three are still equipment and meet the definition of "prosthetic device."

North Carolina - Before SSTA - I indicated the equipment/systems were exempt when sold on a written prescription. However, some of the items in the "system" may have been exempt without a prescription if the items were implanted in the body (such as tubing.) We exempt oxygen; however, we do not consider oxygen delivery equipment (Exempt with prescription) to be "oxygen" (does not require prescription).

Oklahoma - Taxable unless purchased or leased under a prescription or work order of a practitioner (as defined in the statutes), and when the cost of the items will be reimbursed by Medicaid or Medicare.

South Dakota - The tubing used with these systems, that is patient specific, is considered a medical device in South Dakota and is exempt when prescribed.

Washington - Washington law does not specifically designate how any of these items are classified. The responses here are our opinions of where these things fit.

Washington does not generally exempt durable medical equipment. At the time Washington adopted the SSUTA definitions for health care items, we were among those states that believed that any use-based or entity-based exemption, "without restriction", could apply to specific items of durable medical equipment. So, on that basis, we kept our pre-SSUTA exemptions for kidney dialysis devices, medically-prescribed oxygen ("including, but not limited to, oxygen concentrator systems, oxygen enricher systems, liquid oxygen systems, and gaseous, bottled oxygen systems prescribed for an individual by a person licensed under . . . for use in the medical treatment of that individual."), and nebulizers.

Washington would like to be able to retain the ability to tax most durable medical equipment but to specifically exempt oxygen delivery equipment, kidney dialysis equipment, and nebulizers. We understand there is quite a bit of interest in providing this ability with respect to oxygen delivery equipment and kidney dialysis equipment. We wonder if any states also have this issue with nebulizers and would be interested in a carve-out for nebulizers.

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Wisconsin - Enteral Feeding Systems (assumes pump and related tubing)