

**SURVEY OF STATES – RESPONSES
SELECTED MEDICAL ITEMS
MAY 5, 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
AZ	Prosthetics	Exempt	Prosthetics	Exempt	Specifically itemized in an exemption	Exempt
IA	Medical Device	Exempt	Medical Device	Exempt	Medical Device	Exempt
MA	Specific statutory exemption	Exempt	Specific statutory exemption	Exempt	Specific statutory exemption	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
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
WA	None	Exempt	None	Taxable	None	Exempt

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AZ	Prosthetics	Exempt	Prosthetics	Exempt	Prosthetics	Exempt
IA	DME	Exempt	DME	Exempt	DME	Exempt
MA	Not an implementing state					
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
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
WA	DME	Exempt	PD	Exempt	DME	Exempt

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Additional Comments:

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.