

A motion by Ohio to amend Appendix E, Disclosed Practice 7.

Disclosed Practice Number 7 – Classification of Medical Products (Adopted ~~May 2, 2018~~XX)

The Streamlined Sales Tax Governing Board (SSTGB) previously adopted Appendices L and M to the SSTGB Rules and Procedures. Those Appendices ~~identify~~identified the definition contained in the Streamlined Sales and Use Tax Agreement under which each of the products listed in the Appendices are classified. A consensus on how some of the products identified in those Appendices was not reached and those products are identified as “Not ~~Defined~~Classified by SSTGB” in Appendices ~~L and M~~. Appendices L and M ~~have been~~were combined into one appendix that is now referred to as Appendix L.

These tax administration practices identify how each state classifies the products identified as “Not ~~Defined~~Classified by SSTGB” in Appendix L, **but do not indicate the taxability of those products.**

Disclosed Practice 7.1 – Does the State Classify One or More of the “Not Defined” Products Under an SSUTA or State Specific Definition

Explanation: *States may classify one or more of the “Not Defined” products listed in Appendix L under one of the SSUTA definitions or a state-specific definition, other than “tangible personal property.”*

Example – An ECG monitor that is implanted in the human body is listed in Appendix L as “Not Classified by SSTGB.” While both State A and State B have adopted the SST definition of “prosthetic device,” State A may classify the ECG monitor as a prosthetic device, while State B may exclude it from being a prosthetic device.

Disclosed Practice 7.1 – Does the state classify any of the products listed in Disclosed Practice 7.2 as clothing, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or under a different state-specific definition?

If yes, see Disclosed Practice 7.2 for the classification. If no, the state does not need to complete Disclosed Practice 7.2.

Disclosed Practice 7.2 – Classification of “Not ~~Defined~~Classified by SSTGB” Products Under an SSUTA or State-Specific Definition Other Than Tangible Personal Property

Explanation: *States that classify one or more of the products listed in this Disclosed Practice under one of the SSUTA definitions or a state-specific definition, other than “tangible personal property,” ~~need to~~should indicate the definition or classification of those products in their state.*

~~Disclosed Practice 7.2~~—Place an “N” in the SSUTA Defined Term and State-Specific Defined Term columns if the product is not classified under any of the terms listed in Medical Products Disclosed Practice 7.1 or a state-specific defined term. Place a “Y” in the appropriate column if the product is classified under one of those terms, provide the appropriate statute/rule cite and indicate in the “Comment” column the defined term under which the product is classified.