

Durable Medical Equipment

117B

Sales Tax
Fact Sheet

This fact sheet describes the definition of durable medical equipment and provides a summary of how Minnesota sales and use tax applies to this equipment.

For information on how sales and use tax applies to drugs and other health care products refer to the fact sheets listed below:

- **Drugs**, Sales Tax Fact Sheet 117A
- **Mobility Enhancing Equipment**, Sales Tax Fact Sheet 117C
- **Prosthetic Devices**, Sales Tax Fact Sheet 117D
- **Health Product Exemptions**, Sales Tax Fact Sheet 117E
- **Grooming and Hygiene Products**, Sales Tax Fact Sheet 117F

Durable medical equipment

“Durable medical equipment” means equipment, including repair and replacement parts, but not including mobility enhancing equipment, that:

- can withstand repeated use; and
- is primarily and customarily used to serve a medical purpose; and
- generally is not useful to a person in the absence of illness or injury; and
- is not worn in or on the body.

Refer to page two for the definition and information on repair and replacement parts for durable medical equipment. Refer to Fact Sheet 117C for detailed information on mobility enhancing equipment.

Durable medical equipment is a broad category that includes all *reusable* medical and surgical equipment, including diagnostic equipment that is not mobility enhancing equipment and does not qualify as a prosthetic device because it is not worn in or on the body.

Home use. “Home use” means that the equipment is sold to an individual for use at home, regardless of where the individual resides. This includes individuals who are residents of facilities such as nursing homes, assisted care centers, or school dormitories. Durable medical equipment is exempt when sold for home use. No exemption certificate is required to purchase durable medical equipment exempt for home use.

Non-home use. Sales of durable medical equipment to a facility such as a hospital, nursing home, clinic, dental office, chiropractor or optician office, is considered a sale for non-home use. The fact that a nursing home may be using the equipment only for residents of the nursing home does not make the equipment exempt for home use. These sales are taxable unless another exemption applies. For example, a medical clinic must pay tax on durable medical equipment. However, qualified nonprofit and local government owned and operated hospitals and nursing homes are able to purchase durable medical equipment exempt because these institutions are exempt under another provision of the law. An exemption certificate must be provided to the seller to support the claimed exemption. Refer to Fact Sheet 172, Health Care Facilities, for more information on exemptions for health care facilities.

Insurance reimbursements. Durable medical equipment and other items that are paid for or reimbursed by Medicare, Medicaid or insurance companies are taxable unless the item is exempt from Minnesota sales and use tax. Durable medical equipment billed to and paid for by Medicare, Medicaid or an insurance company is only exempt if the equipment is sold for home use. However, prosthetic devices and mobility enhancing equipment are exempt from sales tax when paid for or reimbursed by Medicare, Medicaid or insurance companies, because they are exempt from Minnesota sales and use tax regardless of who purchases them.

Medical purpose. A “medical purpose” means that the equipment is used for the diagnosis, treatment, or cure of disease, illness or injury.

Prescriptions. A prescription issued by a medical professional does not make an item that would otherwise be taxable exempt. For example, a doctor may write a prescription for an exercise bike for a patient. Since exercise bikes are not exempt from sales tax, the sale is taxable.

Examples of durable medical equipment. The following items, when they can withstand repeated use, are examples of durable medical equipment. If the items cannot withstand repeated use, they do not meet the definition of durable medical equipment. Sales of these items are taxable for non-home use unless a fully completed exemption certificate is provided.

- alternating pressure pads and Kodel pads (eliminate bed sores)
- anesthesia equipment
- anti-thrombolytic pumps
- apnea monitors
- aqua K pump and pads
- aspirators (suction pumps)
- audiology equipment
- bed pans, commodes, urinals
- billie lights (used for yellow jaundice)
- blanket cradles
- blood glucose monitoring machines
- blood pressure machines and cuffs
- cardiology equipment
- cauterization equipment
- cofflator
- crash carts
- dialyzers
- defibrillators
- drug infusion pumps
- examination tables
- forceps
- heat lamps
- heating pads
- hospital beds and mattresses
- incubators and isolettes
- injection guns for drug delivery
- infra-red lamps and bulbs for heat therapy
- intra-aortic balloon pump
- intravenous stands
- IV therapy arm boards
- Kinetic therapy tables
- lambs wool pads
- laser equipment
- lithotripters
- mammography equipment
- medical atomizers
- medical instruments
- medical monitoring equipment
- mini dopplers (measures blood flow & rate)
- nebulizers
- nerve stimulator programmers
- ophthalmoscopes
- ostomy irrigation sets
- otoscopes
- over the bed tray tables
- oxygen concentrators and regulators
- pacemaker programmers and transmitters
- patient positioners
- percussors
- pillows (abduction, cervical, orthotic)
- platelet separator
- radiology equipment
- respirators and respiratory bags
- respiratory humidifiers (connects to oxygen equipment)
- resuscitators
- scales (chair and sling)
- speech aids (hand held)
- stethoscopes
- stirrups
- stretchers
- suction machines and regulators
- surgical equipment
- surgical tables
- thermometers (oral, rectal, ear, etc.)
- tourniquets (pneumatic and non-pneumatic)
- traction equipment
- transfusion equipment
- ultrasound equipment
- vaporizers
- ventilators
- wheelchair cushions (brace or support)
- whirlpools (portable over-the-tub only)
- X-ray equipment

Kidney dialysis equipment

Effective March 8, 2008, kidney dialysis equipment and repair and replacement parts for the equipment are exempt from sales and use tax whether sold for home use or non-home use. Kidney dialysis equipment means equipment that is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own. The equipment must be able to withstand repeated use. Equipment used multiple times by or for the same patient is included in the exemption.

Repair and replacement parts for durable medical equipment

“Repair and replacement parts” for durable medical equipment includes all components or attachments used in conjunction with the durable medical equipment, but do not include repair and replacement parts which are for single patient use only.

Repair and replacement parts for durable medical equipment for home use are exempt from sales or use tax. However, effective June 1, 2008, the exemption does not include items which are for *single patient use only*. Prior to June 1, 2008, all disposable or single use components or attachments used in conjunction with durable medical equipment were taxable.

Example. A person purchases a feeding system for use at home. The system includes a pump, IV stand, feeding bags, tubes, catheters or other items used to administer nutrition to the person. The pump and IV stand are exempt as durable medical equipment for home use. However, feeding bags, tubes and catheters are taxable. Although the feeding bags, tubes and catheters are attached to the feeding system and can be used multiple times they can only be used by a single patient.

Durable medical equipment or prosthetic devices

Certain items may be either prosthetic devices or durable medical equipment depending on whether the item is worn in or on the body. This distinction is important, because durable medical equipment is exempt only for home use, while prosthetic devices are always exempt from sales tax.

A prosthetic device is one that is worn in or on the body. “Worn in or on the body” means that the item is implanted or attached so that it becomes part of the body or is carried by the body and does not hinder the mobility of the individual. Items that are attached to the body, but are either stationary or placed on a pole, cart or other device that makes them portable are durable medical equipment. For more information on prosthetic devices refer to Sales Tax Fact Sheet 117D, Prosthetic Devices.

The following items are exempt prosthetic devices if they are “worn in or on the body.”

- Bone growth stimulators
- CPAP (pumps air into lungs when patient stops breathing)
- defibrillator and leads
- electronic nerve and muscle stimulators
- incontinence control devices
- infusion pumps
- programmable drug infusion devices
- speech generating devices
- TENS devices (nerve stimulators)

Equipment that is not durable medical equipment

Examples of items that are *not* durable medical equipment include:

- air purifiers
- air conditioners, dehumidifiers and humidifiers
- blankets and sheets
- closed caption devices
- cubicle curtains
- disposable or single use instruments or equipment
- eating utensils including adjustable utensils
- exercise equipment
- hot and cold packs
- massagers, massage appliances and furniture
- needles*
- pillows not specifically designed for medical purposes
- safety equipment such as goggles and shields
- sitz baths
- spas not specifically manufactured for medical purposes
- specimen containers
- syringes*
- telephone alert systems
- visually impaired equipment and supplies
- waterproof sheeting

*Needles and syringes are not included in the definition of durable medical equipment. Reusable and disposable needles and syringes are taxable even when sold for home use. However, needles and syringes may qualify for exemption as a medical supply when purchased by a licensed health care facility or licensed health care professional. Refer to Fact Sheet 172, Health Care Facilities, for additional information.

Brand names are shown for illustration purposes only and do not imply sole representation in any category.

References:

M. S. 297A.67, Subd. 7, Drugs; Medical Devices Revenue Notice 05-12, Exemption for Durable Medical Equipment; Definition of “Home Use” and “Medical Purpose”

Be sure to see these fact sheets:

Drugs, #117A
Mobility Enhancing Equipment, #117C
Prosthetic Devices, #117D
Health Product Exemptions, #117E
Grooming and Hygiene Products, #117F
Health Care Facilities, #172

Other fact sheets you may need:

Sales to Government, #142
Use Tax for Businesses, #146
Local Sales and Use Taxes, #164