

City and County of Denver, Colorado

TAX GUIDE

Topic No. 19

DENTISTS AND DENTAL LABORATORIES

The sale of a dental prosthetic appliance custom made by a dental laboratory when sold for the direct personal use of a specific individual in accordance with a written directive issued by a licensed practitioner of dentistry is exempt from sales/use tax. Examples of such items include dentures, crowns, bridges, retainers and other similar custom-manufactured items.

The exemption does not apply to dentists' tools, materials, or supplies, including orthodontic supplies, bands and wires, filling and restorative materials, or to disposables (floss, cups, mouthwash), or other supply-type items.

Drugs such as Novocain and nitrous oxide purchased by a dental practice in bulk form and administered in individual doses to patients in connection with the rendering of services are NOT exempt as they are not sold by the supplier for the direct personal use of a specific individual patient but are consumed by the dentist in providing treatment.

Laboratories that manufacture prosthetic dental appliances may purchase materials that become a physical component part of the appliance tax free for resale under the wholesale exemption. Materials and supplies used in the manufacturing process, that do not become a component part of the prosthetic dental appliance, do not meet the wholesale exemption and are taxable to the laboratory.

EXAMPLE

A dental practice purchases Novocaine, amalgam, latex gloves, toothbrushes, paper bibs, mouthwash, a tooth crown and a bridge fitted to a specific patient.

The crown and bridge are purchased by the dental practice tax free because they are prosthetic dental appliances which are custom made for a specific individual.

The other supplies purchased are taxable to the practice. The materials used to take the impressions for the crown and bridge are also taxable because they do not become a component part of the prosthetic dental appliance.

The laboratory purchases the materials to make the crown and bridge tax-free under the wholesale exemption. The supplies used by the laboratory in manufacturing the crown and bridge which are not physically present in the completed prosthetic dental appliance are taxable to the laboratory.

- * DRMC Section 53-24(17),(22). Definitions.
- * DRMC Section 53-25(1). Imposition of the tax.
- * DRMC Section 53-26(7). Exemptions.
- * DRMC Section 53-95(19),(25). Definitions.
- * DRMC Section 53-96(1). Imposition of the tax.
- * DRMC Section 53-97(7). Exemptions.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.