

City and County of Denver, Colorado

TAX GUIDE

Topic No. 57

MEDICAL EXEMPTIONS

The DRMC provides an exemption for medical supplies such as drugs and prosthetic medical and dental appliances when sold for direct use by a patient in accordance with a prescription or other written directive issued by a licensed practitioner of medicine, dentistry or podiatry. The exemption also applies when the medical supplies are sold and administered by a licensed practitioner, provided they are separately billed to the patient or health insurance provider and are clearly identified on the billing. For examples, see the attached list for taxable and exempt items.

This exemption does not apply to items purchased for use by medical and dental practitioners or medical facilities in providing their services, even if the item is individually packaged for one-time use by a patient.

Medical and/or therapeutic equipment is not exempt even if sold with a doctor's prescription. Such items may include water beds, hot tubs, exercise bicycles, etc.

The exemption applies only to items purchased for human consumption. Drugs and prosthetic appliances for animal use are taxable.

EXAMPLES

1. Mary goes to her local drug store to purchase insulin measuring and injecting devices. This transaction is not subject to sales/use tax.
2. Dr. Johnson purchases penicillin in bulk to be administered in single doses to her patients and she itemizes and identifies each injection on her patient billings. The purchase of the penicillin by the doctor, even though purchased in bulk, is not subject to sales/use tax since the injections are specifically identified as sales to patients.
Dr. Johnson also purchases a case of tongue depressors for use in routine examinations. The tongue depressors are supplies used in the ordinary course of Dr. Johnson's medical practice. This transaction is subject to sales/use tax.
3. Dr. Smith purchases Novocain in bulk to be administered to his patients while performing medical procedures. His purchase of the Novocain is subject to sales/use tax.

RELATED TAX GUIDE TOPICS

Drugs; Dentists and Dental Laboratories

- * DRMC Section 53-24(17).Definitions.
- * DRMC Section 53-26(7). Exemptions.
- * DRMC Section 53-95(19).Definitions.
- * 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.

MEDICAL EXEMPTION GUIDELINES

This exemption excludes items purchased for use by medical and dental practitioners or medical facilities in providing their services, even though certain of those items may be packaged for single use by individual patients.

- * Unless purchased for resale subject to sales tax.

DESCRIPTION	TAXABLE	EXEMPT	NOTE
BLOOD OR URINE TESTS			
Chemstrip	X		
Dextrstix	X		
Flu test kits	X		
Glucostix	X		
Hematest	X		
Microstix	X		
Mono Dri Dot Test	X		
(Mononucleosis)	X		
Multistix	X		
Pregnosticon Test	X		
Rhuemonolicon	X		
			<i>Denver has a specific exemption for insulin and insulin measuring and injecting devices. Tests that measure blood sugar are not exempt.</i>
DRUGS			
Antibiotics	X		Exempt only if separately stated on the patient's bill and sold for the direct personal use of a specific individual in accordance with a written directive issued by a licensed practitioner. Otherwise, taxable unless purchased for resale subject to sales tax.
Hydration	X		
Pain management	X		
Total parenteral nutrition	X		
Miscellaneous drugs	X		
SUPPLIES			
Adhesive tape	X		
Admission kits	X		
Adult diapers	X		
Air Compressors (respiratory therapy)	X		
Alternating pressure pumps/pads	X		
Apnea monitors	X		
Aspirators and suction equipment	X		
Baby powder	X		
Bandages	X		
Bath bench	X		
Bath oil	X		
Beds - see Hospital beds	X		
Blood - human (whole, plasma, products, derivatives)		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Boot cradle	X		
Boot cradle	X		
Braces (orthopedic)	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Breast pump	X		
Canes	X		
Casting materials	X		
Catheters	X		
Chap stick	X		
Cidex solution	X		
Commodes	X		
Contact lenses (corrective)	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.

Continuous pressure motion machine	X		
Cotton balls	X		
CPAPS (adult apnea monitor)	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Crutches	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice).
Culturette	X		
Denture brush	X		
Denture powder	X		
Deodorant	X		
Disinfectant	X		
Disposable diapers	X		
Disposable pillows	X		
Disposable thermometers	X		
Disposable towels	X		
Drape sheets	X		
Dressings	X		
Eggcrated mattresses	X		
Elastic bandage	X		
Enteral formula	X		Taxable at the food rate (currently 4%)
Enteral pumps	X		
Eyeglasses (corrective, including frames)	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Foot cream	X		
Formaldehyde solution	X		
Formalin	X		
Garment bags	X		
Gauze	X		
Gel-block Embolization Pledget	X		
Gloves	X		
Glucose for treatment of insulin reactions		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Glucose (non-insulin treatment)	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Glucose monitor supplies	X		
Glucose monitors	X		
Guide wire	X		
Hearing aids and hearing aid batteries		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Hemodialysis products for use by a medical patient		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Hospital beds - standard	X		
Hospital beds - special beds for patients with neuromuscular or similar debilitating ailments	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Ice bucket	X		
Icepacks	X		
Implantable pulse generator	X		
Implants	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Incontinent supplies	X		

Infusion pumps	X		
Insulin		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Insulin measuring & injecting devices		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Intermittent pulsating pressure breather	X		
IV bags	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
IV complete kits	X		
IV poles	X		
Lamino rolls	X		
Latex gloves	X		
Linen	X		
Masks	X		
Maternity kits	X		
Moisture barrier	X		
Muscle stimulator	X		
Nebulizers	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Net parts	X		
Novocain	X		
Ostomy supplies	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Overbed tables	X		
Oxygen concentrators	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Oxygen and oxygen products for use by a medical patient		X	Specific exemption <i>DRMC 53-24(17), 53-26 (7)</i>
Oxygen equipment	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Oxygen meters	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Pacemakers	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Pacifier	X		
Pad Geo Mait Cha	X		
Pads allura care	X		
Parenteral nutrition (via catheter)	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Patient lifts	X		
Percussors	X		
Pressure roll	X		

Prosthetic devices		X	See definition below
Pump cassettes	X		
Retainers	X		
Room deodorizer	X		
Rubber gloves	X		
Saline (non-IV)	X		
Saline for IV	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Sanitary belts	X		
Sanitary pads	X		
Scrub brush	X		
Set feeding drip	X		
Shampoo	X		
Shave cream	X		
Shroud	X		
Skin care lotion	X		
Sling (arm)	X		
Slippers	X		
Soap	X		
Splints	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Stents	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Sterile gown	X		
Sterile towels	X		
Sterile water	X		
Suction equipment	X		
Surgical tape	X		
Sutures (thread only)	X		
Suture kit (incl. needle)	X		
Swab stick	X		
Syringes (insulin syringe exempt)	X		
Table paper	X		
Tampons	X		
TENS unit & muscle stimulator	X		
Therapeutic devices, appliances or related accessories.	X		
Thermometers	X		
Tissues	X		
Toilet seat	X		
Tongue blades	X		
Toothpaste	X		
Tracheostomy supplies	X		Exempt as a prosthetic device (as defined below) only when sold for the direct personal use of a specific individual (separately stated on the sales invoice) in accordance with a written directive issued by a licensed practitioner.
Traction	X		
Transfer board	X		
Trapeze	X		
Tubing	X		Tubing used for oxygen is exempt as an oxygen-related accessory.
Tuck wipes	X		
Under pads	X		

Urine collector	X		
Urine sample cups	X		
Vaporizer	X		
Ventilator	X		
Walkers	X		
Washcloths	X		
Wheelchairs	X		Exempt only when sold for the direct personal use of a specific individual (separately stated on the sales invoice).
X-ray film	X		
X-ray supplies	X		

PROSTHETIC DEVICES are defined in DRMC 53-24 (22) and 53-95 (25) as follows:

Prosthetic devices for humans means any artificial limb, part, device or appliance for human use which replaces a body part or aids or replaces a bodily function; is designed, manufactured, altered or adjusted to fit a particular individual patient; and is prescribed by a licensed practitioner of the healing arts. Prosthetic devices include, but are not limited to, prescribed auditory, ophthalmic or ocular, cardiac, dental or orthopedic devices or appliances, oxygen concentrators and oxygen with related accessories.