

Ruling 96-11

Vermont Department of Taxes

Date: May 21, 1996

Written By: Gloria Hobson, Business Taxes Policy Analyst

Approved By: Edward W. Haase, Commissioner of Taxes

You requested a formal ruling on the application of Vermont's sales and use tax on your sales of dental supplies and equipment to dentists. This ruling is based on the facts in your letter of March 18, 1996 that was faxed to me on April 23, 1996, and your fax of May 16, 1996.

Issues: Are the dental supplies and equipment sold to dentists exempt from Vermont's sales and use tax under 32 V.S.A. § 9741(2)?

Facts: [Taxpayer] sells dental supplies and equipment to dentists. [Taxpayer] requested a ruling on whether specific items, enumerated in the Ruling section, are subject to the sales and use tax.

Ruling: Vermont's sales and use tax law provides for exemption of items used in the dental profession. The exemption in 32 V.S.A. § 9741(2) reads as follows: "Sales of medicine and drugs sold pursuant to a doctor's prescription for human use, oxygen for medical purposes, blood, blood plasma, artificial components of the human body, prosthetic devices, medicinal appliances, corrective appliances, corrective optical devices, dentures, hearing aids, seeing eye dogs, crutches, wheelchairs, hospital type beds, medicine and dental devices and instruments, medical and dental equipment (including component parts thereof) and supplies" used in treatment intended to alleviate human suffering, or to correct, in whole or in part, human physical disabilities, and sales or rentals of stairlift chairs sold pursuant to a doctor's prescription for human use.

The Department's policy has been to exempt items used on a patient for dental treatment. Most activities practiced by the dentist and dental hygienist are considered dental treatment.

[Taxpayer] provided a list of their products. The products are broken into the appropriate exemption category or taxable category with the product described.

Exempt as dental supplies used in treatment to alleviate human suffering or to correct human physical disabilities:

Topical anesthetics and injectable anesthetics used to ease discomfort of dental processes.

Prophy paste used to clean teeth, crowns, bridges, dentures, etc. during dental treatments.

Disposable air/water syringe tips used to spray air or water into the patient's mouth and then disposed after each patient.

Dental dam material is a rubber sheet placed over teeth during treatment to control moisture, to provide greater visibility and access by dentist, to keep patient from swallowing material, and to reduce microbial contamination. The material is disposed of after each use.

Matrix strips and bands are plastic or metal strips or bands placed between teeth to isolate the tooth being treated. The strip or band is disposed of after each use. Gypsum is material used to make models of patient's teeth in making crowns, bridges, dentures or like dental treatment.

Handpieces are equipment that hold burs, diamonds, finishing discs or similar items used in making or finishing filings, crowns, bridges, dentures or like dental treatment. Sealants is material applied to teeth as protection against cavities.

Polishing and finishing strips and discs are strips and discs used to polish and finish different types of composite material placed on patient's teeth.

Disposable infection control barriers are plastic shields covering items touched by dentist during treatment.

Hand instruments used during dental treatment.

Rotary cutting carbides used in making of crowns, bridges, dentures or like dental treatment.

X-ray film and X-ray developing solutions used to take pictures of patient's mouth and used in diagnosis and treatment.

Impression material used to make impressions of patient's mouth for use in dental treatment.

Sutures used to close incisions during dental treatment.

Hypodermic needles used to administer anesthetics or other medicine during treatment. Cotton rolls used to protect and to provide better visibility for dentist during treatment. Cotton tipped applicators used to apply topical anesthetics to patient's gums.

Patient towels used to protect the patient's clothing.

Tray covers used to line trays used to hold dental equipment and keep dental equipment clean and sterile.

Plastic face shields to protect the patient's face and eyes during dental treatment.

Sterilizing solutions used to disinfect impression material after being in patient's mouth and to disinfect other dental equipment.

Ultrasonic solutions used to soften and loosen particles off dental instruments.

Evacuation system cleaner used to clean and clear tube lines for evacuator and saliva ejector or air/water syringe systems.

Latex gloves used to protect both patient and dentist from infection or contamination.
Night guard material used to protect a patient's teeth from wear and damage from grinding if this is part of a dental treatment plan.

Exempt as drugs and medicines prescribed pursuant to a doctor's prescription:

Fluoride and any other drugs or medicines prescribed by the dentist.

Taxable items

Mouth guard material made of hard plastic that is used to protect a patient's teeth during sporting events is a preventative and not part of dental treatment.

Gowns or jackets worn by the dentist or hygienist are not used on the patient or an integral part of the dental treatment.

Face masks worn by the dentist or hygienist are not used on the patient or an integral part of the dental treatment.

Items of a hygienic nature such as toothbrushes, toothpaste, dental floss, mouthwash, etc. are taxable when sold by the dentist to patients. These items are preventatives, not part of a dental treatment or procedure.

This ruling is issued solely to your business and is limited to the facts presented as affected by current statutes and regulations. Other taxpayers may refer to this ruling to determine the Department's general approach, but the Department will not be bound by this ruling in the case of any other taxpayer or in the case of any change in the relevant statute or regulations.