

## *Ruling 95-23*

Vermont Department of Taxes

Date: December 20, 1995

Written By: Gloria Hobson, Business Taxes Policy Analyst

Approved By: Edward W. Haase, Commissioner of Taxes

You requested a ruling on the application of Vermont's sales and use tax on various products sold by your company. This ruling is based on the facts outlined in your August 15, 1995 letter, a copy of which you faxed to this office on December 18, 1995. I do not know where the original request ended up, and I apologize for the delay in getting you a response.

Issue: What medical supply items sold by [Taxpayer] for use in the medical profession are subject to Vermont's sales and use tax?

Facts: [Taxpayer] is a major distributor of medical supplies. [Taxpayer] has requested a ruling on whether specific items, enumerated in the Ruling section as taxable or exempt, are subject to the sales and use tax.

Ruling: Vermont's sales and use tax law provides for exemption of the items used in the medical profession. The exemption in 32 V.S.A 9741(2) reads as follows: "Sales of medicines 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, medical 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." Based on this statutory exemption, the items listed in your letter would fall into the following taxable or exempt categories:

EXEMPT: surgical sheets and drapes; traction items; exam table paper; gloves; braces, splints; CSR wraps; adult diapers; nutrients; thermometer; electrodes; contros; food supplement; Incontinent briefs and liners; food substitutes; bandages; tapes; disposable medicine cup; urinal bags; crutches, walkers, canes, wheelchairs; EKG mount; feeding tubes; oxygen and respiratory items; nebulizer and humidifier; underpad; parallel bars (if used for physical therapy); blood pressure machine; EKG paper; instruments; mattress for hospital bed; tests; anti-embolism stockings; medicated skin lotion; blood tubes; test tubes; agar plates; cast boot; cast materials; decubinous pads (used to prevent bed sores); first aid kit; specimen containers; syringes; needles; catheters; IV tubing;

catheter leg strap; glucose; steam labels (indicates if items have been sterilized); skin cleanser (scrub for surgery and medicated cleansers); orthopedic shoes (if used as corrective devices).

TAXABLE: doctor's uniforms and scrubs; patient gowns; face masks; toilet rail; scrub brushes; wet wipes; OB pads; OB belts; toilet paper; baby diapers; baby powder, oil and lotion; skin lotion; toothbrush; slippers; bed pans; disposable caps; disposable shoe covers; skin markers; disposable urinals; robes; isolation gowns.

In addition to specific items being exempt from taxation, certain organizations are exempt from paying the sales and use tax on their purchases, even if the items would normally be taxable. The exempt organizations are the Federal government, the State of Vermont, and 501(c)(3) organizations. Most hospitals are either government or 501(c)(3) organizations, and their purchases will be tax exempt. These exempt organizations need to present you with an exemption certification which you hold in your business records to document why the sales and use tax was not collected on taxable items.

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.