

## *Ruling 99-04*

Vermont Department of Taxes

Date: 11/9/99

Written By: George Phillips, Tax Policy Analyst

Approved By: Sean P. Campbell, Commissioner of Taxes

You requested a ruling on the application of Vermont's sales and use tax on a product that will be sold by your company. This ruling is based on the facts outlined in your letter of October 12, 1999.

**FACTS:** [Company] distributes a medical device [product]. [Product] is a resorbable calcium phosphate scaffold matrix that closely resembles the porosity of trabecular bone and is used by orthopedic surgeons. [Product] is absorbed into the body during the process of normal bone healing following surgical implantation. You anticipate beginning to sell the product in June of 2000.

**RULING:** Vermont's sales and use tax law provides for exemption of certain 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."

[Product] is a medical device or supply used in treatment intended to correct human physical disabilities, therefore it is exempt from Vermont sales and use tax under the provisions of 32 V.S.A. § 9741(2).

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.