

Ruling 2004-03

Vermont Department of Taxes

Dated: May 12, 2004

Written By: Judith Henkin, Attorney for the Department

Approved By: Tom Pelham, Commissioner of Taxes

You have requested a ruling as to whether three items – lancets, alcohol swabs, and glucose tablets - are subject to Vermont sales tax. This ruling is based on the facts contained in your letter of March 26, 2004.

Vermont law provides that certain medical and dental equipment and supplies are exempt from the sales and use tax. Section 9741 of Title 32 exempts the following:

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.

32 V.S.A. § 9741(2).

The Department has also promulgated Regulation §1.9741(2)-1 which explains that medical items which are used in treatment, including self-treatment, intended to lessen human suffering or to correct, cure or reduce human physical disabilities, are exempt. The regulation provides several examples of exempt items and explains that "[i]tems which are primarily hygienic or preventative in nature are not exempt."

Lancets:

Lancets, like the BD Ultra-Fine 33 Lancets for which you have provided a manufacturer's description, are used to puncture the skin on the finger so that a small sample of blood can be procured. Commonly, lancets are used by diabetics to pierce the skin so that blood glucose levels can be tested.

The lancets are not designed primarily to cure, correct, or reduce the severity of a human ailment, injury or disability. Rather they are used as part of a preventative regimen, and are therefore not exempt from the tax.

Alcohol Swabs:

Alcohol swabs contain isopropyl alcohol, an antiseptic used primarily to prevent infection. They are typically used to prepare the skin prior to administering an injection or prior to the drawing of blood, and to clean such items as glass and digital thermometers. They are not primarily curative or corrective in nature, but are preventative, and are therefore not exempt.

Glucose Tablets:

Glucose tablets are commonly used by diabetics to raise low blood sugar levels. Thus, they are used in the treatment of a human physical ailment and are exempt from tax.

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.

Section 808 of Title 3 provides that this ruling will have the same status as an agency decision or an order in a contested case. You have the right to appeal this ruling within thirty days.