This fact sheet describes how sales tax applies to sales and purchases made by dentists.

**What’s New in 2016**

We’ve updated this fact sheet to clarify that sales of tooth whitening products for the patient to use at home are taxable. Tooth whitening services performed in the clinic are not taxable sales.

Dental services are not subject to sales or use tax. This includes services performed by licensed dentists engaged in general or specialized dentistry, orthodontists, dental surgeons, and other licensed practitioners.

However, certain sales by dentist are taxable. Examples of taxable sales by a dentist include:

- Tooth bleaching agents and trays (including white-strips) for the patient to use at home
- Athletic sport mouth guards
- Powered toothbrushes

**Note:** Tooth whitening services performed in the clinic are not taxable sales.

Health care facilities such as dental clinics, physicians’ offices, and any other medical facilities that do not qualify as exempt organizations, must pay sales or use tax on the purchase, lease, or rental of most taxable items, such as:

- medical equipment, including disposable medical equipment and supplies
- administrative supplies and equipment such as computers, software, furniture, safety equipment, toys, and books
- medical manuals, books, charts, and pamphlets
- laboratory supplies and equipment
- taxable services such as building and grounds cleaning and maintenance, laundry, and paging services

The seller generally charges sales tax at the time of sale. However, if the seller does not charge Minnesota sales tax on equipment, supplies, or other taxable items used in your business, you must pay use tax. Use tax is due on your cost of the item. Report state and local use tax electronically at the same time you file your sales and use tax return. For more information, see Fact Sheet 146, *Use Tax for Businesses*.

**Medical supplies**

Purchases of medical supplies by a licensed dentists are exempt from tax if they are *used directly on patients as part of treatment*. This exemption applies to adhesive and non-adhesive bandages, gauze pads and strips, cotton applicators (Q-tips), antiseptics, nonprescription drugs, and other similar supplies used directly on patients in providing dental services.

This exemption does not apply to items such as disposables (shields/bibs, sleeve covers, head covers, tongue depressors). Even though these items have direct contact with the patient, they are not used as part of treatment, but rather are used for sanitary purposes.

Medical supplies do not include durable medical equipment, repair or replacement parts for durable medical equipment, or disposable medical equipment. Disposable or single use dental equipment and surgical instruments do not qualify for the medical supplies exemption. Other items that are not included in the exemption are laboratory supplies, radiological supplies, and other items used in providing dental services. For more information, see Fact Sheet 117B, *Durable Medical Equipment*.

Needles and syringes (disposable) qualify for the medical supplies exemption provided they are used to treat a patient. For example, a needle used to give novocaine qualifies for the medical supplies exemption, because it is used to treat the patient. However, a needle or syringe used to draw blood for testing purposes does not qualify for the exemption, because it is used in diagnosis rather than the treatment of the patient.
Prosthetic devices
Prosthetic devices are exempt from sales tax. An item qualifies as a prosthetic device if it meets one of the three criteria listed in the definition below.

“Prosthetic device” means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:
- artificially replace a missing portion of the body;
- prevent or correct physical deformity or malfunction; or
- support a weak or deformed portion of the body.

Repair and replacement parts. Repair and replacement parts for prosthetic devices are also exempt. Beginning July 1, 2013, disposable or single patient use items used in conjunction with prosthetic devices are exempt. Prior to July 1, 2013, these items were taxable. For more information, see Fact Sheet 117D, Prosthetic Devices.

Drugs
“Drug” means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, or alcoholic beverages, that is:
- recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them; or
- intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or
- intended to affect the structure or any function of the body.

“Over-the-counter-drug” means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include:
- a “Drug Facts” panel; or
- a statement of active ingredients with a list of those ingredients contained in the compound, substance or preparation.

All drugs for human use, including prescribed drugs and over-the-counter drugs are exempt. For more information, see Fact Sheet 117A, Drugs.

Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens. For more information, see Fact Sheet 117F, Grooming and Hygiene Products.

Vitamins and minerals are not included in the definition of over-the-counter drugs. They are taxable as dietary supplements. For more information, see Fact Sheet 102E, Dietary Supplements.

Examples of exempt items include:

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<th>Medical supply items used directly on patients as part of treatment</th>
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<td>points (gutta percha, paper, silver)</td>
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<td>cotton applicators</td>
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<td>acrylic, including tints</td>
<td>root canal sealer</td>
<td>metal and elastic bands</td>
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<td>complete dentures</td>
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<td>dental oral hygiene products (dental floss, mouthwash, prophyl paste)</td>
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<td>partial denture</td>
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<td>tubes</td>
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<td>crowns and/or bridges (gold, porcelain, stainless steel, resin, aluminum)</td>
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<td>hooks</td>
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<td>porcelain</td>
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<td>springs</td>
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<td>denture reline materials</td>
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<td>buttons</td>
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<td>clasp and bar wire</td>
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<td>occlusal mouth guards</td>
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<td>Prescription Drugs (administered)</td>
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<td>Restorative</td>
<td>Surgery</td>
<td>Orthodontics</td>
<td>topical anesthetics</td>
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<td>silver amalgam</td>
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<td>ceramic retainers</td>
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<td>mercury</td>
<td>bone materials</td>
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<td>nitrous oxide</td>
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<td>composite restoratives</td>
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<td>metal and elastic bands</td>
<td>medical grade oxygen</td>
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<td>pulp protective bases</td>
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<td>brackets</td>
<td>fluoride (prescription dose)</td>
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<td>glass monomer cements and restora-</td>
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<td>tubes</td>
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<td>adhesives</td>
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<td>pit and fissure sealant</td>
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<td>buttons</td>
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<td>cavity lining varnishes</td>
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<td>cleats</td>
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<td>gold</td>
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<td>cement</td>
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<td>metal retention pins</td>
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<td>space maintainers</td>
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<tr>
<td>endodontic posts</td>
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<td>positioners</td>
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</tbody>
</table>

Examples of exempt items include:

Prosthetics
- artificial teeth
- acrylic, including tints
- complete dentures
- partial denture
- crowns and/or bridges (gold, porcelain, stainless steel, resin, aluminum)
- porcelain
- denture reline materials
- clasp and bar wire
- occlusal mouth guards

Restorative
- silver amalgam
- mercury
- composite restoratives
- pulp protective bases
- glass monomer cements and restoratives
- adhesives
- pit and fissure sealant
- cavity lining varnishes
- gold
- cement
- metal retention pins
- endodontic posts

Endodontics
- points (gutta percha, paper, silver)
- root canal sealer
- formocresol

Surgery
- implants
- bone materials
- bone plate systems
- hemostatic pack agents

Orthodontics
- acrylic retainers
- metal and elastic bands
- brackets
- tubes
- hooks
- springs
- buttons
- cleats
- face bows
- wire
- space maintainers
- positioners

Prescription Drugs (administered)
- local anesthetics
- topical anesthetics
- antibiotics
- nitrous oxide
- medical grade oxygen
- fluoride (prescription dose)
- pain medication
- sedation drugs
- general anesthetic drugs, gases
- tooth bleaching agents

Medical supply items used directly on patients as part of treatment
- cotton applicators
- fluoride
- dental oral hygiene products (dental floss, mouthwash, prophyl paste)
- gauze pads
- tooth bleaching agents
- topical anesthetics

Clothing
- gloves (nitrile, latex, cloth)
- scrubs
- lab coats
Examples of taxable items include:

- cleaning supplies and chemicals
- communication devices
- composite tips
- copies of medical records
- cups for dispensing medications
- dental health educational products
- dental models
- dental products given to the patient to take home (oral hygiene products-dental floss, mouthwash, toothbrushes, toothpaste)
- digital x-ray equipment, sensors and disposable sensor sheaths
- disinfecting fluid and surface sanitizers
- disposable equipment and tools, including single use prophy angles and disposable mirrors
- disposable sanitary and protective items (shields/bibbs, sleeve covers, head covers)
- face masks
- filter masks
- first-aid products and kits
- gifts and promotional items
- impression materials and trays
- laboratory equipment, supplies and reagents
- medical forms and records (including retrieval fee)
- medication dispensers
- oxygen tanks (for non-medical use)
- pouches (purchased by the dentist in transporting plaster impressions to dental labs)
- tongue depressors
- tooth polishing cups/brushes
- trays
- whitening products given to patients to take home
- x-ray equipment and film (bite wing pressure tabs)

Taxable sales
Examples of taxable sales by dentists:

- Tooth bleaching agents and trays (including whitening strips) for the patient to use at home
- Athletic sport mouth guards
- Toothbrushes
- Mouthwash and toothpaste unless the product can only be obtained with a prescription written by a health care professional, then the product is exempt as the sale of a drug.

Medical records
Charges for copies of medical records by health care facilities are taxable. The taxable amount includes retrieval fees even if these fees are separately stated on the invoice.

Local sales and use taxes
If you are located in an area with a local tax, local sales or use tax may also be due. Local taxes are listed and explained in detail in Fact Sheet 164, Local Sales and Use Taxes.

Equipment sales
If you sell or lease equipment or other items that were used in your business, the sale may be subject to tax. For more information, see Fact Sheet 132, Isolated and Occasional Sales.

How to report sales and use tax
You can report state, local sales, and use taxes electronically at www.revenue.state.mn.us. If you don’t have Internet access, you can file by phone at 1-800-570-3329. For more information on how to file:

1. Go to our website, www.revenue.state.mn.us
2. Click “Sales and Use Tax”

3. Under “I need to file Sales and Use Tax…” click “Electronically” or “Phone”.

MinnesotaCare Tax
MinnesotaCare tax applies to gross revenues received for dental services. For more information:

- Visit our website at www.revenue.state.mn.us and type MinnesotaCare into the Search box.
- Call MinnesotaCare at 651-282-5533.
- Email them at minnesotacare.tax@state.mn.us

Legal References
Minnesota Statutes 297A.67, General exemptions subd. 7, Drugs, Medical Devices subd. 8, Clothing
Minnesota Statutes 297A.68, Business exemptions subd. 28, Medical Supplies

Other Fact Sheets
117A, Drugs
117B, Durable Medical Equipment
117C, Mobility Enhancing Equipment
117D, Prosthetic Devices
117E, Health Product Exemptions
117F, Grooming and Hygiene Products
132, Isolated and Occasional Sales
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