

MINNESOTA DEPARTMENT OF REVENUE

Revenue Notice # 05-12: Sales and Use Tax – Exemption for Durable Medical Equipment; Definition of “Home Use” and “Medical Purpose”

Minnesota Statutes, Section 297A.67, subdivision 7, was amended by 2005 Minnesota Laws, Chapter 151, Article 7, Section 12, to add a new sales tax exemption for durable medical equipment for home use only. This law is effective for sales and purchases made after June 30, 2005.

Durable medical equipment is defined in Section 297A.67, subdivision 7, paragraph (b), clause (2) as “equipment, including repair and replacement parts, but not including mobility enhancing equipment, that:

- (i) can withstand repeated use;
- (ii) is primarily and customarily used to serve a medical purpose;
- (iii) generally is not useful to a person in the absence of illness or injury; and
- (iv) is not worn in or on the body.”

The purpose of this revenue notice is to set forth the position of the Department of Revenue as to what constitutes “home use” and “medical purpose.”

Home Use

“Home use” means that the equipment is sold to an individual for use at home, regardless of where the individual resides. This may include residential facilities such as a nursing home, assisted care center, or school dormitory. No exemption certificate is required to purchase durable medical equipment exempt for home use. Conversely, a sale of durable medical equipment to or for a facility such as a hospital, nursing home, clinic, or school is considered a sale for non-home use, and therefore taxable, unless another exemption applies. If so, an exemption certificate must be provided to the seller to support the claimed exemption. For example, the facility or institution may be able to purchase the item exempt for the purpose of resale, or it may qualify for an exemption from sales and use tax as a nonprofit organization.

Medical Purpose

A “medical purpose” means that the equipment is used for the diagnosis, treatment, or cure of disease, illness or injury.

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