

Chiropractors

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MinnesotaCare Tax Fact Sheet 2

Fact Sheet

This fact sheet will help chiropractors determine which services and products are subject to MinnesotaCare tax.

Definitions

Health care providers are defined as an individual or entity whose health care occupation is regulated by the state of Minnesota and who furnishes diagnostic, therapeutic or medical services to a patient or consumer. (*Minnesota Statute 295.50, subdivision 4*)

Diagnostic, therapeutic and medical services performed by a health care provider are considered patient services subject to MinnesotaCare tax. According to Revenue Notice 94-14, these services are defined as follows:

Diagnostic services. Diagnostic services are services that determine the existence, nature, or extent of a disease, illness, interruption or disorder of body functions or organs, and services that enable a health care provider to identify a mental condition through critical scrutiny.

Therapeutic services. Therapeutic services include services of a healing, curing, rehabilitative, or remedial nature.

Medical or surgical services. Medical or surgical services include all services that are provided within the scope of medical practice of a health care provider whose occupation is regulated by the state of Minnesota.

Important Reminders

All services covered by the provider’s license are considered to be patient services, regardless of the impact of the service on the patient. All supplies used by the chiropractor when providing patient services are subject to MinnesotaCare tax, unless otherwise subject to Sales and Use Tax. For information regarding items subject to Sales Tax, see Sales Tax Fact Sheet 151, *Chiropractors*.

The receipts from the sale of chiropractic medical supplies, appliances, and equipment are subject to MinnesotaCare tax only if the sale is considered part of providing patient services.

You will never pay both Sales Tax and MinnesotaCare tax on the same service or item.

MinnesotaCare Tax vs. Sales and Use Tax

Item*	MinnesotaCare	Sales
Abduction, cervical and orthotic pillows	X	
Body creams and lotions		X
Braces	X	
Cold packs (<i>nonreusable</i>)		X
Cold pack (<i>reusable</i>)	X	
Corrective shoes	X	
Exercise bands/balls		X
Heat pad (<i>nonreusable</i>)		X
Heat pad (<i>reusable</i>)	X	
Insoles	X	
Knee supports	X	
Massage furniture (<i>for sales purposes only</i>)		X
Seat cushion		X
Sling/splints	X	
Text retrieval fees	N/A	N/A
Vitamins/minerals		X

* This list is not all inclusive. For additional information, see the following Sales Tax Fact Sheets:

- Chiropractors, #151
- Dietary Supplements, #102E
- Drugs, #117A
- Durable Medical Equipment, #117B
- Grooming and Hygiene Products, #117F
- Prosthetic Devices, #117D

Continued

Frequently Asked Questions

A chiropractor treats a patient. The chiropractor provides orthotics or other appliances for the patient. These products relieve the patient's discomfort but they do not heal or cure the underlying problem. The chiropractor states that since these appliances are not therapeutic or diagnostic, no MinnesotaCare tax is due. Is this correct?

All services, as well as products sold along with patient service provided by the chiropractor, are subject to the MinnesotaCare tax, unless the service or product is subject to Sales Tax.

A licensed chiropractor provides an evaluation of an individual who is experiencing knee problems. The chiropractor recommends and sells the patient a knee brace. How is this knee brace taxed?

Because the provider provided the evaluation prior to the sale, the sale would be considered MinnesotaCare taxable.

A licensed chiropractor sells a neck brace to an individual who walks in off the street, no service has been provided to the individual at any time in the past, is the neck brace subject to MinnesotaCare tax?

No, the neck brace is not subject to MinnesotaCare tax.

A licensed chiropractor sells a muscle soothing lotion to a patient after providing patient services, is the lotion MinnesotaCare taxable?

No. In this case, the lotion is subject to Sales and Use Tax. Items which are sales taxable are not subject to MinnesotaCare tax.

Questions?

For questions regarding the MinnesotaCare tax:

Email: MinnesotaCare.tax@state.mn.us

Phone: 651-282-5533

For questions regarding the Minnesota Sales and Use Tax:

Email: SalesUse.tax@state.mn.us

Phone: 651-296-6181 or 1-800-657-3777