

Durable Medical Equipment

Sales Tax Fact Sheet 117B

What's New in 2017

We updated the layout to make this fact sheet easier to use.

This fact sheet covers durable medical equipment and how Minnesota Sales and Use Tax applies to this equipment.

Definition

Durable medical equipment means equipment, including repair and replacement parts, but not including mobility enhancing equipment that:

- Can withstand repeated use
- Is primarily and customarily used to serve a medical purpose
- Generally is not useful to a person in the absence of illness or injury
- Is not worn in or on the body

Durable medical equipment is a broad category that includes all reusable medical and surgical equipment, including diagnostic equipment that is not mobility enhancing equipment and does not qualify as a prosthetic device because it is not worn in or on the body.

For more information, see Fact Sheet 117C, *Mobility Enhancing Equipment*.

Durable Medical Equipment

Generally, durable medical equipment, including accessories and supplies, are taxable. However, these items are exempt when:

- sold for home use
- covered by Medicare or Medicaid regardless of whether it is paid for by an individual, Medicare, Medicaid, or a private insurer. This applies even if the equipment is not sold for home use.

Home Use

Durable medical equipment is exempt when sold for home use. No exemption certificate is required.

Home use means the equipment is sold to an individual for use at home, regardless of where the individual resides. This includes sales to individuals who are residents of facilities such as nursing homes, assisted care centers, or school dormitories.

As a result, it is important to determine if durable medical equipment is sold for home use only when it's not covered by Medicare or Medicaid.

Note: There also is an exemption when the purchase is covered by Medicare or Medicaid.

Non-home use

Non-home use means the equipment is sold to a facility. Examples include:

- chiropractor offices
- dental offices
- hospitals
- medical clinics
- nursing homes
- optician offices

Note: A nursing home purchasing equipment for its residents does not make the equipment exempt for home use.

These sales are taxable unless another exemption applies. For example, hospitals and nursing homes owned by a qualified nonprofit can purchase durable medical equipment exempt because of their Nonprofit Exempt Status.

Purchases that are paid for or reimbursed by Medicare or Medicaid are always exempt, even if not for home use. For more information, see Fact Sheet 172, *Health Care Facilities*.

Insurance Reimbursements

The purchase of durable medical equipment covered by Medicare and Medicaid are exempt from sales tax.

This includes such purchases by private insurance companies when they are administering Medicare, such as under a Medicare Advantage plan.

Prior to July 1, 2013, these purchases were taxable unless they were for home use or otherwise exempt from Minnesota sales and use tax.

Medical Purpose

For the purpose of durable medical equipment, a medical purpose means the equipment is used for the diagnosis, treatment, or cure of disease, illness, or injury.

Prescriptions

A prescription issued by a medical professional does not make a taxable item exempt. For example, a doctor may write a prescription for an exercise bike. Since exercise bikes are not exempt, the sale is taxable.

Durable Medical Equipment Examples

The following items are examples of durable medical equipment.

- Alternating pressure pads and Kodel pads (eliminate bed sores)
- Anesthesia equipment
- Anti-thrombolytic pumps
- Apnea monitors
- Aqua K pumps and pads
- Aspirators (suction pumps)
- Audiology equipment
- Bed pans, commodes, urinals
- Billie lights (used for yellow jaundice)
- Blanket cradles
- Blood glucose monitoring machines
- Blood pressure machines and cuffs
- Cardiology equipment
- Cauterization equipment
- Cofflator
- Crash carts
- Dialyzers
- Defibrillators
- Drug infusion pumps
- Examination tables
- Forceps
- Heat lamps
- Heating pads, hot water bottles (reusable)
- Hospital beds and mattresses
- Hot and cold packs (reusable)
- Incubators and isolettes
- Infra-red lamps and bulbs for heat therapy
- Intra-aortic balloon pump
- Intravenous stands
- IV therapy arm boards
- Kinetic therapy tables
- Lambs wool pads
- Laser equipment
- Lithotripters
- Mammography equipment
- Medical atomizers
- Medical instruments
- Medical monitoring equipment
- Mini dopplers (measures blood flow and rate)
- Nebulizers
- Nerve stimulator programmers
- Ophthalmoscopes
- Ostomy irrigation sets
- Otosopes
- Over the bed tray tables
- Oxygen concentrators and regulators
- Pacemakers programmers and transmitters
- Patient positioners
- Percussors
- Pillows (abduction, cervical, orthotic)
- Platelet separator
- Radiology equipment
- Respirators and respiratory bags

- Respiratory humidifiers (connect to oxygen equipment)
- Resuscitators
- Scales (chair and sling)
- Sitz baths
- Speech aids (hand held)
- Stethoscopes
- Stirrups
- Stretchers
- Suction machines and regulators
- Surgical equipment
- Surgical tables
- Thermometers (oral, rectal, ear)
- Tourniquets (pneumatic and non-pneumatic)
- Traction equipment
- Transfusion equipment
- Ultrasound equipment
- Ventilators
- Wheelchair cushions (brace or support)
- Whirlpools (portable over-the-tub only)
- X-ray equipment

Kidney Dialysis Equipment

Kidney dialysis equipment and repair and replacement parts are exempt from sales tax, regardless if for home use or non-home use.

Kidney dialysis equipment means equipment that is used to remove waste products that build up in the

blood when the kidneys cannot do so on their own. The equipment must be able to withstand repeated use. Equipment used multiple times by or for the same patient is included in the exemption.

Repair and Replacement Parts

Repair and replacement parts for durable medical equipment includes all components or attachments used with the equipment.

Repair and replacement parts for home use are exempt. The exemption also applies to items that are single-patient use.

Example

- A person purchases a feeding system for use at home. The system includes a pump, IV stand, feeding bags, tubes, catheters, or other items used to provide nutrition to the person.

The pump and IV stand are exempt as durable medical equipment for home use. The single-patient use items (feeding bags, tubes, catheters) are also exempt.

Accessories and Supplies

Accessories and supplies required for use of durable medical equipment are exempt for home use or if covered by Medicare or Medicaid.

Durable Medical Equipment or Prosthetic Devices

Certain items may be either prosthetic devices or durable medical equipment, depending on if the item is – or is not – worn in or on the body. Durable medical equipment is taxable unless it’s for home use or covered by Medicare or Medicaid. Prosthetic devices are always exempt from sales tax.

A prosthetic device is one that is worn in or on the body. “Worn in or on the body” means the item is implanted or attached so it becomes part of the body, or is carried by the body and does not hinder the user’s mobility.

The following items are prosthetic devices if they are worn in or on the body:

- Bone growth stimulators
- Defibrillator and leads
- Electronic nerve and muscle stimulators
- Incontinence control devices
- Infusion pumps
- Programmable drug infusion devices
- Speech generating devices
- TENS devices (nerve stimulators)

Items that are attached to the body, but are either stationary, or placed on a pole, cart, or other device that makes them portable are durable medical equipment.

For more information, see Sales Tax Fact Sheet 117D, *Prosthetic Devices*.

Equipment That Is Not Durable Medical Equipment

Examples of items that are not durable medical equipment include:

- Air purifiers
- Air conditioners, dehumidifiers and humidifiers
- Blankets and sheets
- Closed caption devices
- Cubicle curtains
- Disposable or single use instruments or equipment
- Eating utensils including adjustable utensils
- Exercise equipment
- Hot and cold packs (disposable)
- Massagers, massage appliances and furniture
- Needles*
- Pillows not specifically designed for medical purposes
- Safety equipment (goggles, shields)
- Spas not specifically manufactured for medical purposes
- Specimen containers
- Syringes*
- Telephone alert systems
- Visually impaired equipment and supplies
- Waterproof sheeting

*Needles and syringes are not included in the definition of durable medical equipment. Reusable and disposable needles and syringes are taxable, even for home use, unless they are covered by Medicare, Medicaid, or another exemption. For more information, see Fact Sheet 172, *Health Care Facilities*.

Legal References

Minnesota Statute 297A.67, subd. 7, Drugs; Medical Devices

Revenue Notices

05-12, Exemption for Durable Medical Equipment; Definition for “Home Use” and “Medical Purpose”

Other Fact Sheets

117A, *Drugs*

117C, *Mobility Enhancing Equipment*

117D, *Prosthetic Devices*

117E, *Health Product Exemptions*

117F, *Grooming and Hygiene Products*

151, *Chiropractors*

142, *Sales to Government*

146, *Use Tax for Businesses*

164, *Local Sales and Use Taxes*

172, *Health Care Facilities*