

# MinnesotaCare Tax for Chiropractors

## MinnesotaCare Tax Fact Sheet 2

Services and products provided by chiropractors may be subject to MinnesotaCare tax.

### Taxable Items

These items are subject to MinnesotaCare tax.

#### Patient Services

All services covered by your license are considered to be patient services, regardless of the impact of the service on the patient.

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

**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.

#### Supplies

All supplies you use when providing patient services are subject to MinnesotaCare tax unless it is subject to Sales and Use Tax.

#### Example of Items Subject to MinnesotaCare Tax

- Abduction, cervical, and orthotic pillows
- Braces
- Cold packs (reusable)
- Corrective shoes
- Heat pad (reusable)
- Insoles
- Knee supports
- Slings or splints

#### Example of Items Subject to Sales and Use Tax

- Body creams and lotions
- Cold packs (nonreusable)
- Exercise bands or exercise balls
- Heat pad (nonreusable)
- Massage furniture (for sales purposes only)
- Seat cushion
- Vitamins and minerals

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.

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

For information regarding supplies subject to Sales and Use Tax, go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and enter **Taxable Sales in the Chiropractors Industry Guide** in Search.

### Examples

These examples show how MinnesotaCare tax may apply.

#### Treating a Patient and Selling Products

You treat a patient and provide orthotics or other appliances for the patient. These products relieve the patient's discomfort, but they do not heal or cure the underlying problem. MinnesotaCare tax applies because all services you provide, as well as the products you sold with the services, are taxable, unless the service or product is subject to Sales Tax.

**Evaluating a Patient and Selling a Knee Brace**

You provide an evaluation for an individual who is experiencing knee problems. You recommend and sell the patient a knee brace. The sale of the knee brace is subject to MinnesotaCare tax because you provided an evaluation before the sale.

**Selling a Neck Brace to an Individual**

You sell a neck brace to an individual who walks in. No service has been provided to the individual at any time in the past. The sale of neck brace is not subject to MinnesotaCare tax because you did not provide any services.

**Selling Lotion to a Patient**

You sell a muscle soothing lotion to a patient after providing patient services. The sale of the lotion is not subject to MinnesotaCare tax because it is already subject to Sales and Use Tax. Items that are subject to Sales and Use Tax are not subject to MinnesotaCare tax.

**Questions?**

If you have questions about MinnesotaCare tax, contact us by emailing [MinnesotaCare.tax@state.mn.us](mailto:MinnesotaCare.tax@state.mn.us) or calling 651-282-5533.