

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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October 29, 2001

Re: Our file Number LR-01-167; Sales tax on the rental of durable medical equipment

Dear

This is in response to your inquiry concerning the taxability of short term rentals of durable medical equipment. The rental of each of the items listed in your letter is subject to sales tax unless the rental is otherwise exempt from sales tax.

For example, a rental to an individual would be subject to the tax unless the individual is being reimbursed by medicaid or medicare. Similarly, a sale to a hospital would be taxable unless the hospital is operated by some entity of government, the hospital was providing the items for use by a medicare or medicaid patient, or unless the hospital was renting the item for resale to a patient. In the last situation, the hospital should provide you with the information that will allow you to exempt the rental as a sale for resale.

The occasional sale of commode pails, lift slings, etc. would be subject to sales tax in the same manner as the rentals.

Separately stated delivery fees are not subject to sales tax.

These responses are based on Oklahoma Tax Commission rules 710:65-7-6, 710:65-7-8, 710:65-13-169, 710:65-13-170; 710:65-13-173 and 710:65-19-70. A copy of our Sales and Use Tax Rules is being sent to you. You may also view a copy of the rules at our website:

www.oktax.state.ok.us

This response applies only to the circumstances set out in your request of October 10, 2001. Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon **only** by the entity to whom it is issued, assuming that all pertinent

facts have been accurately and completely stated, and that there has been no change in applicable law.

If I can be of further assistance, please feel free to contact me.

Sincerely,
OKLAHOMA TAX COMMISSION

A handwritten signature in black ink, appearing to read "Michael G. Pillow". The signature is written in a cursive style with a large initial "M" and "P".

Michael G. Pillow
Tax Policy Analyst