

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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March 6, 2002

Re: Our file Number LR-02-021; Sales tax on purchases by "not for profit" hospitals.

Dear

This is in response to your inquiry concerning the five items purchased by ("Center").

The purchases of "not for profit hospitals" are not exempted by the sales tax code. However, as noted below, some exemptions may apply. I have listed the items in your letter, followed by remarks concerning their taxability. Please refer to Oklahoma Tax Commission sales tax rules 710:65-15-169, 710:65-15-170 and 710:65-19-173. A copy of the Sales Tax rulebook has been mailed to you.

IV Solutions: Since these must be prescribed by a physician, they are legend drugs and are exempt when purchased.

IV Sets
IV Catheters, Connectors, Plugs, etc.
Feeding Tubes and Containers

These medical devices are taxable when purchased by "Center". If they are used in the care given to a patient that is covered by Medicare or Medicaid, "Center" may request a refund of the sales tax paid on them from the Oklahoma Tax Commission.

Nutritional Supplements: Since these items are not legend drugs nor are they medical devices, they are taxable to "Center" when they are purchased and they are not eligible for a refund of sales tax that was paid on them, even if they are provided to a medicare or medicaid patient.

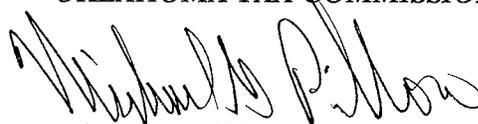
Information concerning refunds of sales tax paid on items purchased and provided to medicaid or medicare patients may be obtained from:

Greg Stipe
Account Maintenance Division
OKLAHOMA TAX COMMISSION
2501 N. Lincoln Blvd.
Oklahoma City, OK 73194

This response applies only to the circumstances set out in your request of February 1, 2002. 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



Michael G. Pillow
Tax Policy Analyst

cc: Greg Stipe