

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
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December 20, 2002

Re: Our File Number LR-02-216; Your File Number 5001-4; Sales tax on the sale of medical devices.

Dear

This is in response to your inquiry referenced above. I have set out your questions below and each is followed by our response

1. If the vendor receives a prescription or work order from a practitioner (physician, surgeon, etc.) for a medical device to be paid by the individual's insurance carrier (not Medicare or Medicaid), should the vendor charge sales tax to the insurance company?

**Response: Sales tax is due on the sale of medical devices, unless the exemption for sales reimbursed by Medicare or Medicaid applies.**

2. If the insurance company refuses to pay the sales tax, how is the vendor supposed to collect the sales tax?

**Response: The Oklahoma Sales Tax Code, at 68 O.S. Section 1361(B) provides that the sales tax due on a sale is to be added to the price and once added becomes a part of the price. It further provides that it is recoverable in the same manner as any other debt.**

This response applies only to the circumstances set out in your request of November 20, 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