

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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July 11, 2003

Re: Our File LR-03-106; Sales Tax on sales to Medicare recipients.

Dear [REDACTED]

This is in response to your inquiry concerning sales to Medicare recipients. Your questions are set out below and each is followed by our response.

Question #1. If we sell a chair with a seat lift mechanism to a Medicare recipient as an unassigned claim (the patient pays for the item and Medicare reimburses them) do we charge sales tax?

Response: If the chair was prescribed for a Medicare recipient, by a practitioner, as defined in 68 O.S. Section 1357.6, you may exempt the sale from sales tax if you obtain the documentation set out in Oklahoma Tax Commission rule 710:65-13-173(c).

Question #2. Oxygen regulators and tanks are tax exempt, but what about the oxygen contents and concentrators that produce oxygen?

Response: Sales of oxygen for the treatment of human beings, when the oxygen has been prescribed by a physician, are exempt from sales tax. Sales of oxygen concentrators, to a Medicare recipient, prescribed by a practitioner as defined in 68 O.S. Section 1357.6, are exempt if the purchase is reimbursed by Medicare. Please also refer to Oklahoma Tax Commission Rules 710:65-13-169, 710:65-13-170 and 710:65-13-173.

A copy of both the rules and the statute are enclosed.

This response applies only to the circumstances set out in your request of May 20, 2003. 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: Jerry Webb
Taxpayer Assistance Division

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IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION