

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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September 15, 2004

Re: Our File Number LR-04-077; Sales tax on the sale of prosthetics to hospitals

Dear

This is in response to your inquiry concerning the taxability of the sale of prosthetics to hospitals.

The sale of prosthetics to hospitals in Oklahoma is subject to sales tax, provided the hospital is not a governmentally operated hospital, in which case the exemption for the unit of government that operates the hospital would apply.

You are correct in your statement that if a hospital uses a prosthetic on which they have paid sales tax for a patient that is covered by Medicaid or Medicare, the hospital may receive a refund of the sales tax paid on the prosthetic directly from the Tax Commission.

A scenario in which prosthetics may be sold exempt from sales tax is when it is sold directly to the patient.

Other rules that apply to this subject are:

710:65-13-170

710:65-13-171

710:65-13-173

Copies of the rules noted above are enclosed.

This response applies only to the circumstances set out in your request of May 5, 2004. 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