# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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December 20, 2006

RE: Our File Number LR-06-193; Tax status of medical devices and equipment

Dear

This is in response to your request for a ruling regarding the payment or collection of sales tax on the medical devices listed in your correspondence.

Pursuant to Oklahoma Tax Commission Rule 710:65-13-170 (b), the sale or rental of medical equipment, supplies, or devices is taxable. . While there is an exemption for medical supplies sold or leased on behalf of patients who are reimbursed by Medicaid and Medicare, this exemption does not extend to purchases made by health care facilities, but only to a vendor's direct sales to a patient who is a Medicaid or Medicare recipient. See Commission Rule 710:65-13-173.

Therefore, the medical equipment and devices that were enumerated in your letter of November 8, 2006 would be subject to Oklahoma sales or use tax. In Oklahoma, sales tax is due on the total gross receipts of the sale without any deduction for contractual discounts by the insurance carrier. See Section 1352 (11), 1354 (1) (A) and Section 1402 of Title 68 Oklahoma Statutes and Commission Rule 710:65-1-9.

You may reference the above rules at our website: www.oktax.state.ok.us and Oklahoma Statutes at www.oscn.net.

This response applies only to the circumstances set out in your request of November 8, 2006. 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,

Brenda J. Sullivan
Tax Policy Analyst