OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

February 25, 2008

Re: Our File Number LR-07-204; Taxability of medical devices and products

Dear

We submit the following in reply to your request for a written opinion on the sales taxability of the products that test an individual's cholesterol listed in your correspondence as CardioChek Portable Blood Test System and CardioChek Cholesterol Test Strips.

Please be advised that medical products themselves are not exempt based on their use or status as prescription or non-prescription health care products.

While there is an exemption for medical supplies purchased 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 as part of their services provided, 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(d) which contains a list of exempt medical equipment for Medicaid or Medicare recipients.

Therefore, the CardioChek Portable Blood Test System and CardioChek Cholesterol Test Strips are subject to sales tax when sold to an individual unless the sale is to a medicare/medicaid program recipient.

A copy of the rule referenced is enclosed. If I can be further assistance, please write or contact me at (405) 521-3133.

Sincerely,

OKLAHOMA TAX COMMISSION

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst

Enclosure