OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

July 14, 2010

Re: LR-10-038; Sales tax exemption for Medicare beneficiaries

Dear :

This is in response to your request for clarification on the sales tax treatment of sales of durable medical equipment partially reimbursed by Medicare or Medicaid.

Please be advised that if Medicare or Medicaid reimburses any part of a bill for the sale of an article of durable medical equipment, no sales tax is to be charged on any portion of the charge for that article. Therefore, no sales tax should be charged on the invoices submitted with your correspondence labeled 1A and 2.

Furthermore, 68 O. S. § 1357(34), copy enclosed, exempts sales of tangible personal property or services to certain disabled veterans in receipt of compensation at the one hundred percent rate.

This response applies only to the circumstances discussed in your request of January 4, 2010. Pursuant to Oklahoma Administrative Code 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 there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst