



# MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-16-004

July 8, 2016

## UPDATED NOTICE TO TAXPAYERS CONCERNING DURABLE MEDICAL EQUIPMENT AND HOME MEDICAL SUPPLIES

Effective July 1, 2016, House Bill 1687 of the 2016 Regular Session amends Miss. Code Ann. Section 27-65-111 to provide an exemption from sales tax on certain sales of durable medical equipment (DME) and home medical supplies (HMS). This exemption applies when DME and HMS are **ordered in writing or prescribed by a licensed physician for the medical purposes of a patient**. Payment does not have to be made in whole or part by any particular person to be eligible for this exemption. Proper documentation must be retained in order to substantiate the exemption.

Repair and replacement parts are also eligible for this exemption. Purchases of home medical equipment and supplies by a provider of home health services or a provider of hospice services are eligible for this exemption, as well.

DME is defined as equipment that:

- Can withstand repeated use;
- Can be used or operated by a person without specialized training;
- Is primarily and customarily used to serve a medical purpose;
- Generally is not useful to a person in the absence of illness or injury; and
- Is not worn in or on the body.

HMS are defined as supplies that:

- Can be used or operated by a person without specialized training;
- Primarily and customarily used to serve a medical purpose; and
- Generally not useful to a person in the absence of illness or injury.

Mobility enhancing equipment qualifies for the exemption. Mobility enhancing equipment is defined as equipment that:

- Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle;
- Is not generally used by persons with normal mobility; and
- Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

Items that qualify under this exemption include, but are not limited to, the following:

- Supplies listed under Title XVIII of the Social Security Act
- Supplies listed under Title XIX of the Social Security Act
  - Bath Bench / Shower Chair
  - Bed Pans
  - Catheters

- Commode Chairs and other Toileting Aids
- Continuous Positive Airway Pressure (CPAP)
- Crutches
- Diabetic Equipment and Supplies
- Dialysis Equipment
- Hospital Beds
- Lift Chairs
- Pacemaker Monitors
- Steering Wheel Controls
- Sterile Pads
- Walkers
- Wheelchairs
- Wheelchair Lifts
- Ventilators, Nebulizers and other types of Humidification Equipment
- Hearing Aids and Hearing Devices
- Prosthetics
- Orthotics
- Prescription Eyeglasses and Contact Lenses
- Respiratory Assist Devices (Oxygen and Oxygen Equipment)

Items that do not qualify for this exemption include the following:

- An item used for athletic, exercise or recreational activities as opposed to assisting in daily living.
- An item designed for outdoor use.
- An item intended for environmental control or home modification such as electronic door openers, ramps, elevators, air cleaners, etc.
- An item used for personal comfort, hygiene, or cosmetic purposes.
- Nonprescription drugs and medicines.

Items that are not prescribed by a physician are taxable. Items not eligible to be paid for by Medicare or Medicaid are taxable, even if prescribed by a physician.

This exemption applies to sales of DME & HMS beginning July 1, 2016 and does not apply to sales prior to July 1, 2016 even though the customer may be billed for sales prior to or after July 1, 2016.

Please contact the Sales and Use Tax Bureau should you need additional information.