

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1341
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Authors: Schoen and others

Subject: Expand the medical device sales tax exemption

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Overview

Minnesota currently exempts a number of health care related products from sales tax regardless of purchaser. It also exempts durable medical equipment for home use only.

This bill expands the health care product exemption in the following three ways:

- Exempts the purchases of all exempt drugs and medical devices if the purchase is covered by Medicare, Medicaid, a private medical plan such as health insurance or a health maintenance plan, and coverage provided through other types of insurance such as automobile and accident insurance, workers compensation, or long term;
- Expands the definition of exempt repair and replacement parts for durable medical equipment to include all accessories and supplies required for the use of the durable medical equipment, including items that are for single patient use; and
- Changes the definition of exempt prosthetic devices to include all accessories and supplies necessary for use of the prosthetic devices.

Most health care items covered by Medicare, Medicaid, and health plans are already exempt; the majority of the expansion is to durable medical equipment not purchased for home use.

Effective retroactively for purchases made after April 1, 2009. Refunds claims for retroactive years must be filed by June 30, 2014.