

File Number: H.F. 1631
Version: As introduced

Date: March 6, 2017

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Subject: Expanding the sales tax exemption for drugs and medical devices

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Overview

Expands the sales tax exemption for medical equipment and accessories and supplies used with medical equipment to include all purchases covered by any health plan, including qualified plans under MNsure.

In 2013, the legislature expanded the exemption for durable medical equipment for home use only to medical equipment purchased by Medicare and Medicaid. It also enacted an exemption for accessories and supplies necessary for using the equipment purchased for home use or covered by Medicaid and Medicare.

This bill further expands those exemptions to cover all purchases covered by health plans.

Effective for sales and purchases made after June 30, 2017.

Section

- 1** **Drugs; medical devices.** Exempts all items purchased in transactions covered by any health plan, including a MNsure qualified health plan. The exemption applies regardless of deductible and copay provisions. Under current law, only certain types of medical devices, and all items purchased under a Medicare or Medicaid plan, are exempt.

Effective for sales and purchases made after June 30, 2017.

Section

2 **Accessories and supplies.** Expands the sales tax exemption for accessories and supplies used with durable medical equipment to include accessories and supplies purchased by any health plan, including a MNsure qualified health plan.

Effective for sales and purchases made after June 30, 2017.