

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 1370

By: Myers

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2001, Section 1357.6, as last amended by Section
9 9, Chapter 535, O.S.L. 2004 (68 O.S. Supp. 2009,
10 Section 1357.60), which relates to sales tax
11 exemption; requiring specific types of documentation
12 for reimbursement of sales tax paid for certain
13 drugs, medical devices and equipment; and providing
14 an effective date.

15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1357.6, as
17 last amended by Section 9, Chapter 535, O.S.L. 2004 (68 O.S. Supp.
18 2009, Section 1357.60), is amended to read as follows:

19 Section 1357.60 A. Effective July 1, 1992, there are hereby
20 exempted from the tax levied by Section 1351 et seq. of, this title
21 sales of drugs for the treatment of human beings, medical
22 appliances, medical devices and other medical equipment including
23 but not limited to corrective eyeglasses, contact lenses, hearing
24 aids, prosthetic devices, as defined in subsection C of this
section, durable medical equipment, as defined in subsection D of
this section, and mobility enhancing equipment, as defined in

1 subsection E of this section, when administered or distributed by a
2 practitioner, as defined in subsection B of this section, who is
3 authorized by law to administer or distribute such items or when
4 purchased or leased by or on behalf of an individual for use by such
5 individual under a prescription or work order of a practitioner who
6 is authorized by law to prescribe such items and when the cost of
7 such items will be reimbursed under the Medicare or Medicaid
8 Program. A health care provider seeking reimbursement for sales tax
9 exemption pursuant to this section shall provide the following
10 documentation to the Oklahoma Tax Commission:

11 1. A copy of the invoice paid by the health care provider that
12 includes either payment of sales tax or self-assessment of use tax;

13 2. Documentation that sales or use tax was paid by the health
14 care provider, as follows:

15 a. a copy of a check voucher,

16 b. a screen-print from a financial accounting system
17 which shows sales or use tax payment, or

18 c. an excerpt from a financial accounting system which
19 shows sales or use tax payment.

20 Documentation required pursuant to this paragraph shall be
21 accompanied by a written certification by the health care provider,
22 in a form prescribed by the Tax Commission, that supporting
23 documents are true representations of information from the health
24 care provider's financial accounting system;

1 3. Documentation of the Medicare or Medicaid status of the
2 patient for whom the exempt item was made, as follows:

- 3 a. a screen-print from a patient accounting system which
4 verifies the patient's Medicare or Medicaid status, or
5 b. an excerpt from a patient accounting system which
6 verifies the patient's Medicare or Medicaid status.

7 Documentation required pursuant to this paragraph shall be
8 accompanied by a written certification by the health care provider,
9 in a form prescribed by the Tax Commission, that supporting
10 documents are true representations of information from the health
11 care provider's patient accounting system; and

12 4. Documentation that the exempt item listed on the invoice was
13 used for a Medicare or Medicaid patient, as follows:

- 14 a. the patient name or account number is shown on the
15 invoice,
16 b. the patient name or account number is shown on the
17 purchase order or purchase requisition related to the
18 invoice,
19 c. a health care provider departmental log that contains
20 patient information and product information that can
21 be tied to an invoice by product name or number, or
22 d. a health care provider patient accounting billing
23 detail that shows a product has been used for a
24 Medicare or Medicaid patient and billed to such

1 patient, which can be traced to an invoice by product
2 name or number.

3 Documentation required pursuant to this paragraph shall be
4 accompanied by a written certification by the health care provider,
5 in a form prescribed by the Tax Commission, that supporting
6 documents are true representations of information from the health
7 care provider's patient accounting system.

8 B. The term "practitioner" means a physician, osteopathic
9 physician, surgeon, podiatrist, chiropractor, optometrist,
10 pharmacist, psychologist, ophthalmologist, nurse practitioner,
11 audiologist or hearing aid dealer or fitter who is licensed by the
12 state as required by law.

13 C. The term "prosthetic device" means a replacement, corrective
14 or supportive device, including repair and replacement parts for
15 same, worn on or in the body to:

- 16 1. Artificially replace a missing portion of the body;
- 17 2. Prevent or correct physical deformity or malfunction; or
- 18 3. Support a weak or deformed portion of the body.

19 Provided, the term shall not include corrective eyeglasses,
20 contact lenses or hearing aids.

21 D. The term "durable medical equipment" means equipment,
22 including repair and replacement parts for same, which:

- 23 1. Can withstand repeated use;

1 2. Is primarily and customarily used to serve a medical
2 purpose;

3 3. Generally is not useful to a person in the absence of
4 illness or injury; and

5 4. Is not worn in or on the body.

6 The term "durable medical equipment" shall not include "mobility
7 enhancing equipment" as defined in subsection E of this section.

8 E. The term "mobility enhancing equipment" means equipment,
9 including repair and replacement parts for same, which:

10 1. Is primarily and customarily used to provide or increase the
11 ability to move from one place to another and which is appropriate
12 for use either in a home or a motor vehicle;

13 2. Is not generally used by persons with normal mobility; and

14 3. Does not include any motor vehicle or equipment on a motor
15 vehicle normally provided by a motor vehicle manufacturer.

16 The term "mobility enhancing equipment" shall not include
17 "durable medical equipment" as defined in subsection D of this
18 section.

19 SECTION 2. This act shall become effective November 1, 2010.

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