

2015 Regular Session

SENATE BILL NO. 272

BY SENATOR ERDEY

TAX/SALES. Exempts from local sales tax prosthetic devices prescribed by physicians for personal consumption or use, when the patient is covered by Medicaid or a Medicaid program administered by a third party on behalf of the state. (7/1/15)

1 AN ACT

2 To amend and reenact R.S. 47:305(D)(1)(k) and (4)(a) and to enact R.S. 47:337.9(C)(14.1),
3 relative to exemptions against the sales and use tax of political subdivisions; to
4 exempt certain prosthetic devices; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:305(D)(1)(k) and (4)(a) is hereby amended and reenacted and
7 R.S. 47:337.9(C)(14.1) is hereby enacted to read as follows:

8 §305. Exclusions and exemptions from the tax

9 * * *

10 D.(1) The sale at retail, the use, the consumption, the distribution, and the
11 storage to be used or consumed in the taxing jurisdiction of the following tangible
12 personal property is hereby specifically exempted from the tax imposed by taxing
13 authorities, except as otherwise provided in this Paragraph:

14 * * *

15 (k)(i) Solely for purposes of the state sales and use tax, orthotic, including
16 prescription eyeglasses and contact lenses, and prosthetic devices and wheelchairs
17 and wheelchair lifts prescribed by physicians, optometrists or licensed chiropractors

1 for personal consumption or use.

2 **(ii) Solely for purposes of the sales and use tax of political subdivisions,**
3 **the sale to, or the purchase by, an individual or by a medical service provider**
4 **such as a physician, clinic, surgical center, or other healthcare facility of a**
5 **prosthetic device which is sold or purchased with the intention of being**
6 **personally used or consumed by individuals pursuant to a prescription by a**
7 **physician when the individual is covered by the state of Louisiana Medicaid**
8 **insurance program or a Medicaid insurance program administered by a third**
9 **party on behalf of the state of Louisiana.**

10 * * *

11 (4)(a) The exemption for food, drugs, orthotic ~~and prosthetic~~ devices,
12 **prosthetic devices except for those provided for in Item (1)(k)(ii) of this**
13 **Subsection,** and wheelchairs and wheelchair lifts prescribed by physicians or
14 licensed chiropractors for personal consumption or use; for patient aids prescribed
15 by a physician or licensed chiropractor for home use; and ostomy, ileostomy or
16 colostomy devices, or other appliances including catheters or related items required
17 as the result of any surgical procedure by which an artificial opening is created in the
18 human body for the elimination of natural waste applies only to sales taxes imposed
19 by the state of Louisiana and does not apply to such taxes authorized and imposed
20 by any school board, municipality, or other local taxing authority notwithstanding
21 any other provisions of law to the contrary, and specifically, but not exclusively, R.S.
22 47:337.8.

23 * * *

24 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
25 exemptions applicable

26 * * *

27 C. * * *

28 **(14.1) R.S. 47:305(D)(1)(k), "key words": prosthetic devices**

29 * * *

1 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
 2 and subsequently approved by the legislature, this Act shall become effective on July 1,
 3 2015, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 272 Reengrossed

2015 Regular Session

Erdey

Present law exempts from state sales tax prosthetic devices prescribed by physicians for personal consumption or use.

Proposed law provides for an exemption against local sales tax for prosthetic devices sold or purchased by, an individual or by a medical service provider such as a physician, clinic, surgical center, or other healthcare facility with the intention of being personally used or consumed by individuals pursuant to prescription by a physician when the individual is covered by the state of Louisiana Medicaid insurance program or a Medicaid insurance program administered by a third party on behalf of the state of Louisiana.

Effective July 1, 2015.

(Amends R.S. 47:305(D)(1)(k) and (4)(a); adds R.S. 47:337.9(C)(14.1))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Limits the exemption to purchases under the Medicaid program.

Senate Floor Amendments to engrossed bill

1. Provides the conditions for exemption from local sales tax of prosthetic devices prescribed by a physician, sold or purchased by specific individuals or a medical service provider, with the intent of being used or consumed by such individuals.