

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:32B-8.1 (Sales tax-- exempt medical equipment and diabetic supplies)

LAWS OF: 1987 **CHAPTER:** 383

Bill No: A3860

Sponsor(s): Kavanaugh

Date Introduced: March 9, 1987

Committee: **Assembly:** Appropriations
Senate: Revenue, Finance and Appropriations

Amended during passage: No

Date of Passage: **Assembly:** June 29, 1987
Senate: December 17, 1987

Date of Approval: January 8, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes
Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

ASSEMBLY, No. 3860
STATE OF NEW JERSEY

INTRODUCED MARCH 9, 1987

By Assemblymen KAVANAUGH, VILLANE and Penn

AN ACT exempting certain medical equipment and diabetic supplies
from the sales and use tax, amending P. L. 1980, c. 105.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 13 of P. L. 1980, c. 105 (C. 54:32B-8.1) is amended
2 to read as follows:

3 13. Receipts from the following are exempt from the tax imposed
4 under the Sales and Use Tax Act: sales of medicines and drugs
5 sold pursuant to a doctor's prescription for human use; over the
6 counter drugs recommended and generally sold for the relief of
7 pain, ailments, distresses or disorders of the human body; *diabetic*
8 *supplies*; crutches, artificial limbs, artificial eyes, artificial hearing
9 devices, corrective eyeglasses, prosthetic aids, artificial teeth or
10 dentures, braces, tampons or like products, orthopedic appliances
11 and artificial devices designed to correct or alleviate physical in-
12 capacity, medical oxygen, *respiratory equipment*, human blood and
13 its derivatives when sold for human use, wheelchairs, *transcutane-*
14 *ous electro-neuro stimulators (TENS units), durable medical equip-*
15 *ment*, and replacement parts for any of the foregoing.

16 *As used in this section, durable medical equipment means equip-*
17 *ment that: a. can withstand repeated use, b. is primarily and cus-*
18 *tomarily used to serve a medical purpose, c. is generally not useful*
19 *to a person in the absence of illness or injury, and d. is appropriate*
20 *for use in the home.*

21 *Receipts from sales of medical equipment, durable medical equip-*
22 *ment, and supplies, other than medicines and drugs, purchased for*

Matter printed in italics thus is new matter.

23 *use in providing medical services for compensation, but not trans-*
24 *ferred to the purchaser of the service in conjunction with the per-*
25 *formance of the service, shall be considered taxable receipts from*
26 *retail sales notwithstanding the exemption from the sales and use*
27 *tax provided under this section.*

1 2. This act shall take effect immediately.

STATEMENT

This bill exempts from the sales and use tax diabetic supplies, respiratory equipment, transcutaneous electro-neuro stimulators, and durable medical equipment. Durable medical equipment is defined in the bill as equipment which is (1) able to withstand repeated use, (2) primarily and customarily used to serve a medical purpose, (3) not generally useful in the absence of illness or injury, and (4) appropriate for use in the home. The bill further eliminates the exemption from the sales and use tax of receipts from sales of medical equipment and supplies, including durable medical equipment, but not including medicines and drugs, that are purchased for use in providing medical services for compensation, and are not transferred to the purchaser of the service in conjunction with the performance of the service. These changes should assist in the administration of the act, and help avoid the taxation of medical equipment purchases by senior citizens and others who are large-scale consumers of medical equipment.

TAXATION—SALES

Exempts from the sales and use tax diabetic supplies, respiratory equipment, "TENS" units, and durable medical equipment and eliminates exemption of medical equipment if purchased for use in providing compensated medical services.

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ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3860

STATE OF NEW JERSEY

DATED: JUNE 22, 1987

The Assembly Appropriations Committee favorably reports Assembly Bill No. 3860.

Assembly Bill No. 3860 exempts from the sales and use tax diabetic supplies, respiratory equipment, transcutaneous electro-neuro stimulators, and durable medical equipment. Durable medical equipment is defined in the bill as equipment which is (1) able to withstand repeated use, (2) primarily and customarily used to serve a medical purpose, (3) not generally useful in the absence of illness or injury, and (4) appropriate for use in the home. The bill further eliminates the exemption from the sales and use tax of receipts from sales of medical equipment and supplies, including durable medical equipment, but not including medicines and drugs, that are purchased for use in providing medical services for compensation, and are not transferred to the purchaser of the service in conjunction with the performance of the service.

FISCAL IMPACT:

A fiscal note has not been completed at this time for this bill.

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SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3860

STATE OF NEW JERSEY

DATED: DECEMBER 7, 1987

The Senate Revenue, Finance and Appropriations Committee reported Assembly Bill No. 3860 favorably.

Assembly Bill No. 3860 provides a sales and use tax exemption for diabetes supplies, respiratory equipment, transcutaneous electro-neuro stimulators and all other durable medical equipment.

The bill also specifies that the exemption for medical equipment and supplies, other than medicines and drugs, shall not apply where the material is to be used in providing medical services for compensation and is not transferred to the patient in conjunction with the service.

Assembly Bill No. 3860 is identical to Senate Bill No. 2436, as amended.

FISCAL IMPACT:

A fiscal note has not been prepared for this bill; it will result in an undetermined reduction in sales and use tax revenues.