

Blood Glucose Meter, Diabetic Supplies & Nebulizers

Blood Glucose Meters, Diabetic Supplies and Nebulizers Are Exempt from Sales and Use Tax

Blood glucose meters and nebulizers sold to individuals with a prescription for them are exempt from sales and use tax. Beginning July 1, 2015, diabetic testing supplies also are exempt from sales and use tax.

Durable Medical Equipment for Home Use Sold under a Prescription Is Exempt from Sales and Use Tax

Durable medical equipment (DME) is exempt from sales tax when sold:

- for home use, and
- with a prescription from a licensed practitioner for human use.

DME is reusable medical and diagnostic equipment, including repair and replacement parts, for human use that is not worn in or on the body. DME does not include replacement attachments or accessories that are for single patient use, disposable medical supplies, prosthetics or mobility enhancing equipment.

“For Home Use” Means Suitable and Appropriate for Home Use and For Use by the Patient in the Patient’s Home

“For home use” means that the DME is suitable for use and intended to be used in the patient’s home. A patient’s home can be a residential facility, such as a nursing home, assisted care center or school dormitory.

DME for Use in Healthcare Facilities or by Healthcare Professionals Is Subject to Tax

DME sold to or for use by a facility, such as a hospital, nursing home, clinic or dental office, is not for home use, and it is subject to tax. DME sold to home health care professionals and pharmacies for their use in rendering outpatient health care services to humans is not for home use, and it is subject to tax.

Prescription Glucose Meters Sold to Individuals Qualify for the DME Exemption

A blood glucose meter is a diagnostic medical device used for detecting, measuring and tracking blood glucose levels in humans with diabetes. It is intended to be continuously carried or taken with the patient so that the patient is able to test his or her blood sugar levels at any time or place. A blood glucose meter qualifies as DME. Additionally, it is suitable and appropriate for and intended to be used by patients in their homes or residences. Therefore, the sale of a blood glucose meter to an individual with a prescription is exempt from sales and use tax.

Syringes and Diabetic Testing Supplies Are Exempt from Sales Tax

Syringes used for dispensing insulin and, beginning July 1, 2015, diabetic testing supplies such as lancets, lancet devices, glucose test strips, and control solutions, are specifically exempt from sales and use tax under Tennessee law. These items are exempt no matter who purchases them, and they

do not require a prescription in order to qualify for exemption.

Prescription Nebulizers Sold to Individuals Qualify for the DME Exemption

A nebulizer is a medical device used to convert liquid medication into a mist that can be inhaled into the lungs. Home nebulizers are generally tabletop sized, and they have electrical plugs that plug into wall sockets. Portable nebulizers are smaller in size, and they are battery operated or plug into car lighters. Both types of nebulizers qualify as DME. Both home and portable nebulizers are suitable and appropriate for and intended to be used by patients in their homes. Therefore, sales of nebulizers to individuals with a prescription are exempt from sales and use tax.

Nebulizer accessories, such as masks, mouth pieces, tubing, and tee pieces, when sold separately, are single patient use attachments and accessories. These accessories and attachments are not DME and, therefore, are subject to tax. However, if the masks, mouth pieces, tubing and tee pieces are sold with the nebulizer for a single price, the sale would qualify for the tax exemption.

Sellers of Tax-Exempt DME Must Obtain Evidence of Prescription for the DME

Sellers are required to maintain documentation of tax exempt sales in their books and records. To support exemptions for specific products, such as insulin syringes and diabetic supplies, the seller's records must clearly identify the items sold.

In order to document exempt sales of DME for home use, sellers must obtain evidence that the purchase was made due to a prescription issued by a licensed practitioner. Upon request from the Department of Revenue, sellers are required to supply such information to substantiate tax-exempt sales. It is not necessary and not required for sellers to obtain an exemption certificate from purchasers presenting a prescription.

For More Information

Visit www.tn.gov/revenue. Click on Revenue Help to search for answers or to submit an information request to one of our agents.

References

Tenn. Code Ann. § 67-6-314; Tenn. Code Ann. § 67-6-102; Tenn. Code Ann. § 67-6-352; Public Chapter 274 (2015); Notice #07-22