

1 HB300
2 148381-1
3 By Representative Johnson (R)
4 RFD: Ways and Means Education
5 First Read: 19-FEB-13

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8 SYNOPSIS: This bill would specify that the sale of
9 durable medical equipment; prosthetics and
10 orthotics devices; and medical supplies, as defined
11 under the Medicare program, that are sold pursuant
12 to a valid prescription and billed to a third party
13 payer would be exempt from any state, county, and
14 municipal sales and use taxes and would provide
15 retroactive application.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 To specify that the sale of durable medical
22 equipment; prosthetics and orthotics devices; and medical
23 supplies, as defined under the Medicare program, that are sold
24 pursuant to a valid prescription and billed to a third party
25 payer would be exempt from any state, county, and municipal
26 sales and use taxes; and to provide for retroactive
27 applications under certain conditions.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. In addition to any other exemptions
3 provided by law, any items used for the treatment of illness
4 or injury or to replace all or part of a limb or internal body
5 part purchased by or on behalf of an individual pursuant to a
6 valid prescription and covered by and billed to a third party
7 payer shall be exempt from state, county, and municipal sales
8 and use taxes, including, but not limited to, any of the
9 following: Durable medical equipment, including repair parts
10 and the disposable or single patient use supplies required for
11 the use of the equipment; medical oxygen and related equipment
12 and supplies; prosthetic and orthotic devices; and medical
13 supplies, as defined and covered under the Medicare program,
14 including, but not limited to, items such as catheters,
15 catheter supplies, ostomy bags and supplies related to ostomy
16 care, specialized wound care products, and similar items that
17 are covered by and billed to a third party payer.

18 Section 2. This act shall apply retroactively to all
19 open tax periods and all periods for which a preliminary or
20 final assessment of tax could be entered pursuant to Section
21 40-2A-7, Code of Alabama 1975, or any successor general or
22 local law. No refunds shall be due or issued pursuant to this
23 act with respect to those periods prior to the effective date
24 of this act.

25 Section 3. The provisions of this act are
26 supplemental and shall not be construed to repeal any law not
27 in direct conflict with this act.

1 Section 4. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.