

HB131 INTRODUCED



1 HB131
2 X5Q0ZZ-1
3 By Representatives Butler, Gidley
4 RFD: State Government
5 First Read: 07-Feb-24



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SYNOPSIS:

This bill would provide that health care providers in clinical settings that maintain a supply of durable medical equipment and medical supplies for potential use by a patient covered by Medicare, Medicaid, or a health benefit plan would be required to file a Certificate of Exemption with the Department of Revenue in order to be eligible for tax exemption of these items.

A BILL
TO BE ENTITLED
AN ACT

To amend Section 40-9-30, Code of Alabama, 1975, to require certain health care providers in clinical settings to file a certificate of exemption with the Department of Revenue in order to be eligible for tax exemption of certain items.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-9-30, Code of Alabama 1975, is amended to read as follows:

"§40-9-30

(a) As used in this section, the term "durable medical equipment" means equipment which can stand repeated use, is



HB131 INTRODUCED

29 used to serve a purpose for medical reasons, and is
30 appropriate and suitable for use in the home.

31 (b) Oxygen or durable medical equipment dispensed under
32 orders from a duly licensed physician by a participating
33 provider to a recipient of benefits under the Medicare program
34 shall be exempt from state and local sales and use taxes.

35 (c) A provider who rents or leases oxygen or durable
36 medical equipment to a recipient of benefits under the
37 Medicare or Medicaid program under orders from a duly licensed
38 physician shall be exempt from all state and local rental and
39 leasing taxes.

40 (d) (1) In addition to any other exemptions provided in
41 subsection (b) or (c), any items used for the treatment of
42 illness or injury or to replace all or part of a limb or
43 internal body part purchased by or on behalf of an individual
44 pursuant to a valid prescription and covered by and billed to
45 Medicare, Medicaid, or a health benefit plan shall be exempt
46 from state, county, and municipal sales, use, and rental and
47 leasing taxes, including, but not limited to, any of the
48 following: Durable medical equipment, including repair parts
49 and the disposable or single patient use supplies required for
50 the use of the equipment; medical oxygen and related equipment
51 and supplies; prosthetic and orthotic devices; and medical
52 supplies, as defined and covered under the Medicare program,
53 including, but not limited to, items such as catheters,
54 catheter supplies, ostomy bags and supplies related to ostomy
55 care, specialized wound care products, and similar items that
56 are covered by and billed to Medicare, Medicaid, or a health



HB131 INTRODUCED

57 benefit plan.

58 (2) Beginning September 1, 2024, any health care
59 provider in a clinical setting seeking an exemption pursuant
60 to this subsection shall file a certificate of exemption with
61 the Department of Revenue in the manner prescribed by Section
62 40-9-60, as provided by rule of the department.

63 (3) Notwithstanding any other provision of law, an
64 entity that purchases an item that would otherwise be exempt
65 pursuant to this section may seek a refund of taxes paid in
66 error for such purchase no more than 12 months from the date
67 of the sale."

68 Section 2. This act shall become effective immediately.