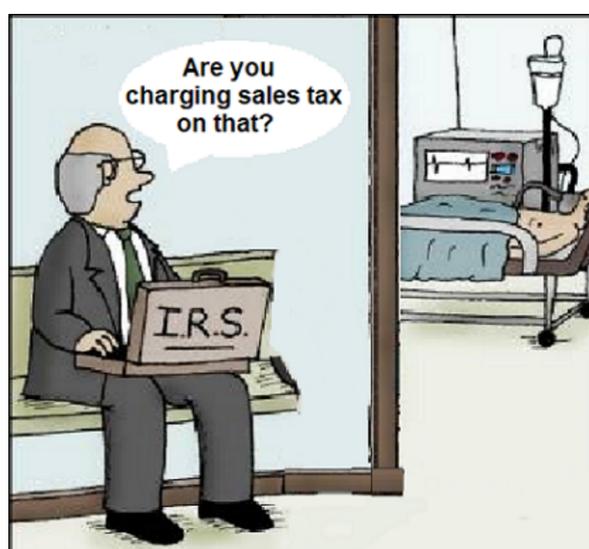




SALES TAX MAKES A HOSPITAL SICK



Have you ever had to pay sales tax when going to the doctor or to the hospital? Of course not. Medical services are not taxable in New York State. However, doctors, medical practices, and hospitals still have to worry about sales tax.

Most medical professionals must pay sales tax on items like scalpels, stethoscopes, and cotton swabs used in performing medical services. Medical practices and hospitals, just as easily as a restaurant or retail store, can be audited by New York State. The State is ensuring that the correct amount of sales tax was paid on purchases (called "use tax"). Doctors are required to pay sales tax when purchasing medical equipment used to perform their services. Just like an accountant is required to pay sales tax when purchasing paper to print a client's tax return.

However, in recent years, an exemption is being used and cited more and more frequently. The tax law gives an exemption from sales tax for medical equipment used to correct or alleviate physical incapacity and products consumed by humans for the preservation of health. Products consumed by humans for the preservation of health include other substances used internally and externally, which are not ordinarily considered drugs or medicines.

Advisory Opinion TSB-A-13(26)S discusses the taxability of a type of bone graft. The bone graft uses a specialized medical device which speeds the process of bone regeneration after surgery. The Tax Department makes note that this device would previously have been considered medical equipment or supplies purchased by a medical professional and therefore, subject to sales tax. However, it is now being ruled that this product is consumed by humans for the preservation of health and should not be considered medical supplies. The bone graft was held nontaxable.

If medical practices have been paying sales tax on items that were once thought of as taxable medical equipment, but qualify under the preservation of health exemption, the medical practice could be entitled to a refund.

There is a fine line between taxable medical equipment and nontaxable preservation of health products. When confusion hits...call Sales Tax Defense! We are here to help clarify the rules.

SUCCESS STORY: CANADIAN ACCOUNTING FIRM ASKS FOR ADVICE.



ABOUT OUR FIRM



A Canadian accounting firm had a client that began doing business in 15 states in the US. However, the client did not think about sales tax compliance and when the accounting firm discovered that sales tax needed to be addressed, it came to Sales Tax Defense for advice.

The accounting firm wanted to know the sales tax rates in the 15 states, how to remit the sales tax, and practical advice on how to handle multiple sales tax rates in multiple states.

We were able to provide the accounting firm with a summary of the sales tax rules in the 15 states in addition to addressing their questions and concerns. It takes a significant amount of work and time simply to keep track of the sales tax being collected in 15 states much less file and remit tax in 15 states. In addition to providing the rules, we were able to give practical business advice on administering the rules.

Hopefully with our help, this is one less business facing grief from a state taxing authority!

We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems.

Since the only work we are focused on is sales tax consulting, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

WHEN YOU HAVE A SALES TAX PROBLEM, *WE ARE THE SOLUTION!*

CALL: **631-491-1500**

CONTACT US!

“

“Mark Stone is the Babe Ruth of NYS sales tax info #LITPS”

-Tweeted by Anthony Lauro

MORE TESTIMONIALS

Phone: 631-491-1500

673 Deer Park Avenue

Dix Hills, NY 11746



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