

Regular Session, 2014

SENATE BILL NO. 508

BY SENATOR HEITMEIER

TAX/SALES. Changes the exemptions from local sales tax for Medicare-related transactions. (7/1/14)

1 AN ACT

2 To amend and reenact R.S. 47:301(7)(i) and (10)(u), 315.3, and 337.9(F), and to enact R.S.
3 47:301(18)(q), relative to the sales and use tax of political subdivisions; to provide
4 for certain exemptions of and refunds for transactions ultimately related to Medicare
5 patients; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(7)(i) and (10)(u), 315.3, and 337.9(F) are hereby amended
8 and reenacted and R.S. 47:301(18)(q) is hereby enacted to read as follows:

9 §301. Definitions

10 As used in this Chapter the following words, terms, and phrases have the
11 meaning ascribed to them in this Section, unless the context clearly indicates a
12 different meaning:

13 (7) * * *

14 (i) For purposes of sales and use taxes levied and imposed by local
15 governmental subdivisions, school boards, and other political subdivisions whose
16 boundaries are not coterminous with those of the state, "lease or rental" by a person
17 shall not mean or include the lease or rental of tangible personal property if such

1 lease or rental is made ~~under the provisions of Medicare~~ **to either of the following:**

2 **(i) A Medicare patient in the medical treatment of his disease under the**
3 **supervision of a licensed physician.**

4 **(ii) A medical service provider such as a physician, clinic, dialysis facility,**
5 **surgical center, or other health care facility, and the tangible personal property**
6 **is ultimately used by a Medicare patient, or administered to him by a physician,**
7 **nurse, or other health care personnel, in the medical treatment of disease under**
8 **the supervision of a licensed physician.**

9 * * *

10 (10) * * *

11 (u) For purposes of sales and use taxes levied and imposed by local
12 governmental subdivisions, school boards, and other political subdivisions whose
13 boundaries are not coterminous with those of the state, "sale at retail" by a person
14 shall not mean or include the sale of tangible personal property if such sale is made
15 ~~under the provisions of Medicare~~ **to either of the following:**

16 **(i) A Medicare patient in the medical treatment of his disease under the**
17 **supervision of a licensed physician.**

18 **(ii) A medical service provider such as a physician, clinic, dialysis facility,**
19 **surgical center, or other health care facility, and the tangible personal property**
20 **is ultimately used by a Medicare patient, or administered to him by a physician,**
21 **nurse, or other health care personnel, in the medical treatment of disease under**
22 **the supervision of a licensed physician.**

23 * * *

24 (18) * * *

25 **(q) Solely for purposes of sales and use taxes levied and imposed by local**
26 **governmental subdivisions, school boards, and other political subdivisions**
27 **whose boundaries are not coterminous with those of the state, the term "use"**
28 **shall not include the purchase, the use, the consumption, the distribution, the**
29 **storage for use or consumption, or the exercise of any right or power over**

1 **tangible personal property by either of the following:**

2 **(i) A Medicare patient in the medical treatment of his disease under the**
3 **supervision of a licensed physician.**

4 **(ii) A medical service provider such as a physician, clinic, dialysis facility,**
5 **surgical center, or other health care facility, and the tangible personal property**
6 **is ultimately used by a Medicare patient, or administered to him by a physician,**
7 **nurse, or other health care personnel, in the medical treatment of disease under**
8 **the supervision of a licensed physician.**

9 * * *

10 §315.3. Sales tax refund; sales and rentals covered by Medicare

11 A.(1) Any person who has paid sales and use taxes, levied by the state and
12 any other taxing authorities in the state, upon the sale, **purchase, use,** lease, or rental
13 of tangible personal property ~~when such sale, lease, or rental is paid by or under the~~
14 ~~provisions of Medicare,~~ shall be entitled to reimbursement of the amount of tax paid
15 on such property **transaction when such sale, purchase, use, lease, or rental is of**
16 **tangible personal property by either of the following:**

17 **(a) A Medicare patient in the medical treatment of his disease under the**
18 **supervision of a licensed physician.**

19 **(b) A medical service provider such as a physician, clinic, dialysis facility,**
20 **surgical center, or other health care facility, and the tangible personal property**
21 **is ultimately used by a Medicare patient, or administered to him by a physician,**
22 **nurse, or other health care personnel, in the medical treatment of disease under**
23 **the supervision of a licensed physician.**

24 (2) Upon receipt of a signed statement of such person as to the amount of
25 taxes paid under the provisions of this Chapter on such tangible personal property
26 and upon proof of payment by or under the provisions of Medicare, the secretary and
27 the appropriate taxing authorities shall make a refund to such person in the amount
28 to which he is entitled.

29 * * *

1 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
2 exemptions applicable

3 * * *

4 F. Notwithstanding any provision of law to the contrary, prescription drugs
5 purchased **by a Medicare patient in the medical treatment of his disease** through
6 or pursuant to a Medicare Part B and D plan **and prescription drugs purchased by**
7 **a medical service provider such as a physician, clinic, dialysis facility, surgical**
8 **center, or other health care facility, and the tangible personal property is**
9 **ultimately administered to a Medicare Part B patient by a physician, nurse, or**
10 **other health care personnel in the medical treatment of disease under the**
11 **supervision of a licensed physician** shall be exempt from the sales and use taxes
12 imposed by any local governmental subdivision, school board, or other political
13 subdivision whose boundaries are not coterminous with the state.

14 * * *

15 Section 2. This Act shall become effective on July 1, 2014.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Heitmeier (SB 508)

Present law grants exemptions from and refunds of local sales tax for sales, leases, and rentals of property "made under the provisions of Medicare" and for prescription drugs purchased "through or pursuant to a Medicare Part B and D plan".

Proposed law grants such exemptions and refunds when the sale, purchase, use, lease, or rental is by either of the following:

- (1) A Medicare patient in the medical treatment of his disease under the supervision of a licensed physician.
- (2) A "medical service provider" such as a physician, clinic, dialysis facility, surgical center, or other health care facility, and the property or prescription drugs are ultimately (a) used by a Medicare patient, or (b) administered to him by a physician, nurse, or other health care personnel, in the medical treatment of disease under the supervision of a licensed physician.

Effective July 1, 2014.

(Amends R.S. 47:301(7)(i) and (10)(u), 315.3, and 337.9(F); adds R.S. 47:301(18)(q))