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LD 1184 An Act to Exempt Certain Prescribed Home Medical Supplies from Sales Tax

Dear Senator Grohoski, Representative Perry, and members of the Taxation Committee,

My name is Rachel Black. I am a resident of Wilton and work as an Assistive Technology Professional (ATP) for Rehabilitation Equipment Associates (REQ) in Lewiston Maine. We specialize in supplying our customers with both manual and power wheelchairs throughout Maine. A majority of our sales are wheelchairs but we also provide Mainers with custom bath chairs, custom standing frames, custom gait trainers, and rehab positioning car seats.

Under the current law, as it is written in the Maine Revenue Services Sales, Fuel and Special Tax Division Instructional Bulletin NO. 41, all prescribed mobility equipment for the sick, injured or disabled to move from one place to another, is tax exempt. This means that wheelchairs are tax exempt. This bulletin states in the beginning that "it is written in a relatively informal style" which makes it difficult for the provider to discern what items may be taxable and what items may not be taxable. There have been questions raised by providers, billing departments, and accountants as to if components for wheelchairs, such as cushions, backrests, and headrests are tax exempt as it is not clear in the law.

Under the current law, not all prescribed home medical equipment is tax exempt. At REQ, most of what we provide is tax exempt but we also provide items that are taxable. For instance, a resident of Maine who is disabled, requiring a tax exempt wheelchair, sometimes also requires a rehab bath chair, which would be taxable. Both items have been prescribed by a physician to increase the ability of the disabled person. It does not seem just that the prescribed wheelchair is tax exempt but the prescribed bath chair, which is reimbursable by Mainecare, is not. After delivery of the bath chair, the provider can submit a code on the claim to Mainecare and have the sales tax reimbursed back to the provider. This is tedious, time consuming and not a good use of time for providers or the state as it does not bring revenue to the state or the provider.

There is a statement in the bulletin that reads "Purchases of crutches, canes, walkers, and wheelchairs to be rented are not covered by this exemption." This statement is confusing to providers as it is not clear what this means and what situations this would pertain to.

Please consider expanding the current law to exempt *all* prescribed home medical supplies from sales tax as this would relieve the confusion for providers and the unnecessary claims processing of sales tax from the state back to providers.

Thank you,

Rachel Black