

## How states handle charges incurred for “use tax” on hearing aids.

*“In West Virginia, a use tax of 6% is charged to the dispenser based on his/her hearing aid purchase cost. Use tax, as compared to sales tax, is not visible nor directly chargeable to the consumer.”*

STATE	COMMENTS
AL	<p>In Alabama, we have to charge sales tax. The amount varies of course with the municipality.  <b>Pat Lacoste</b></p>
AZ	<p>We do not have a "use tax" or any other on hearing aids in Arizona  <b>Theresa Webb</b></p>
CA	<p>In California, we are charged the appropriate sales tax, according to county, on the original invoice from the manufacturer. In San Diego county, the tax is 7.75%  <b>Judy Horning</b></p> <p>I think the West Virginia situation is status quo. In California, the manufacturer charges us a sales tax on our buying price. We cannot charge sales tax on a medical device but the sales tax is rolled into the purchase price. So indirectly the consumer is paying my sales tax at a lower level than their sales tax on the sale price.  <b>Cydney Fox</b></p>
CO	<p>State of Colorado has no tax on "durable medical devices", which constitutes hearing aids and accessories.  <b>Nancy Schehr Johnson, M.S., CCC-  University of Northern Colorado</b></p> <p>Hearing aids are not assessed tax (use &amp;/or sales) in Colorado. They are considered a medical device. Battery sales, at least through audiology clinics, are not taxed either.  <b>Jennifer Weber, Au.D.  University of Northern Colorado  970-351-2012</b></p>
DC	<p>As per the DC Tax office-<b>No</b> Sales or Use Tax on hearing aids (considered medical devices)  <b>Lina Kubli</b></p>
FL	<p>Florida does not charge tax for hearing aids. Can this not be considered a medical expense? We often suggest asking the accountant about using the cost of hearing aids as a part of the medical expenses for tax deduction.  <b>Cindy Simon</b></p>
IA	<p>In Iowa, we do not have sales tax on medical devices or on batteries. There is no tax on medical professional services. Attempts have been in the past in our legislature to tax services but have not been on the legislative screen for years.  <b>Stuart Trembath</b></p>
IL	<p>In Illinois, or at least in our practice, hearing aids are taxed as durable medical goods which means tax is 1.25%. So, although repairs are not taxed, hearing aids,</p>

STATE	COMMENTS
	and Dry and Store's, and batteries (even if they are sold at Walgreens or other stores are taxed at 1.25%. <b>Jill Meltzer</b>
KY	KY does not charge sales or use tax on hearing aids. <b>Pam Ison</b>
MA	I have not heard of this in Massachusetts. We have it just for equipment, lab supplies etc. that are bought out of state and tax is not charged but not for hearing aids Please let me know if you hear differently. <b>Tannya Poulter</b> <b><u>SSHCtr@aol.com</u></b>
MI	Michigan does not charge use tax on hearing aids as they are identified as a medical devise. <b>Karen Jacobs- MAA president</b>
MN	The State of Minnesota charges a 1.5% health care tax, which applies to diagnostic audiology services, hearing aids, and batteries. <b>Samira Anderson</b>
MO	In Missouri hearing aids, hearing aid repairs and batteries are exempt from sales tax, all other accessories i.e.: audiowipes, dry aid kits, electric dryers, adhears, disposable ear plugs, etc are taxed. <b>Pamela Nelson</b>
MT	We have no sales tax in Montana, on any item. Just very high property and state income tax. <b>Doug Rehder, Au.D.</b>
NY	In New York hearing aids are exempt from sales tax, as are all class D medical devices. <b>Bonnie Rubin, Au.D.</b> <b>Rye Brook, NY</b>
OH	In Ohio, we do not charge tax on hearing aids. I think we view hearing aids as durable medical products. I hope this helps. <b>Anne Tortello</b>
PA	Hearing aids are not assessed any tax in Pennsylvania, nor are batteries. <b>Judith Butera, AuD</b> <b>President, Pennsylvania Academy of Audiology</b>
SC	No state tax in South Carolina on hearing aids <b>Robert Poland</b>
UT	In Utah there was sales tax on hearing aids until 3-4 years ago when the legislature changed the rules. Hearing aids are now considered a medical device and as such are not taxed. We have never had a "use tax" in the state as far as I know. <b>Bryan Layton, AuD</b> <b>IHC Hearing and Balance Center</b> <b>230 South 500 East, Suite 150</b> <b>Salt Lake City, UT 84102</b> <b>(801) 595-1700</b>
VA	As per VA-Code 23VAC10-210-940. <b>No</b> Sales or Use Tax on hearing devices prescribed by licensed practitioner (includes Audiologist). <b>-Lina Kubli</b>

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WA	<p>In Washington state, there is not use or sales tax on hearing aids, earmolds for hearing aids or batteries for hearing aids.</p> <p><b>Shann Rand</b></p>
WI	<p>Hearing aids and accessories (batteries, dessicant drying containers, earmold blowers and spray, etc.) are exempt from sales and use tax in WI. They are categorized as durable medical equipment.</p> <p><b>Meredy Hase, Au.D.</b></p>
WV	<p>This is a long story; the short of it is that in WV there is confusion regarding taxes and hearing aids.</p> <p>I have been dispensing in WV since 1976 and, until 3 years ago, paid a 6% "use tax" on my cost for those hearing aids. I was audited 3 years ago and the initial determination of the new auditor was that I had to pay tax on ALL hearing aids; that I could not exempt those hearing aids paid for by the state of West Virginia (as I had been doing). My accountant produced a recent ruling pertaining to optometrists saying that all glasses and contact lenses were exempt from use tax since they were a "prescribed" medical device. When presented this document from the tax department, the tax department ruled next in my case that hearing aids, also being medical devices, were exempt from use tax as long as they were "prescribed". The auditor interpreted "prescribed" in a hearing aid fitting then as having a "medical clearance". A lot of my fittings had medical clearances and so the tax department owed me a lot of money, which I took and they closed my audit. With some fear, I next wrote the tax department asking for a more detailed ruling on hearing aids and the "prescription" of them. I sent my curricula vita, an explanation of medical doctors' lack of training and experience in hearing aids and concluded that audiologists are the only professional capable of "prescribing" hearing aids. The tax department never replied to my request, but I have subsequently stopped paying taxes on all hearing aids under on the basis that I am prescribing them. I have a hearing aid prescription form placed in the chart that delineates the color, type, make, model of hearing aids to be fit. This may or may not fly with the tax department when I am again audited, but that's my logic and I'm sticking to it.</p> <p><b>Gary Harris</b></p>