

Medical Offices and Clinics

The taxability of sales and purchases of tangible personal property and labor services by Medical Offices and Clinics are summarized below. This list is not all-inclusive.

Purchases by Medical Offices and Clinics:

Kansas sales or compensating use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Kansas sales or Kansas consumers' use tax must be paid to the vendor or accrued and remitted directly to the Kansas Department of Revenue. Purchases from Kansas vendors may be reported using the retailers' sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Kansas consumers compensating use tax return.

Purchases for use	Taxable or Nontaxable
Equipment used to provide medical service including but not limited to: exam tables/chairs, lights and stools, autoclaves, waste receptacles, scales, stethoscopes, blood pressure monitors, thermometers, forceps, scalpels, centrifuges, auto tymps, otoscopes, ultrasound machines, fetal Doppler's, fetal monitors, etc.	Taxable
Prosthetic devices and mobility enhancing equipment to be prescribed to an individual patient	Exempt
Prescription drugs and insulin	Exempt
Medical equipment such as wheelchairs, walkers, canes, and crutches used at the office or clinic (not single patient use).	Taxable
Medical supplies including but not limited to medical supply kits (for treatment), medical test kits (diagnostic) such as drug test kits, pregnancy kits, medical examination kits, and ice packs	Taxable
Coding manuals (for insurance claims), reference books and materials, office and medical forms, business cards, notepads, facial tissue	Taxable
Nonprescription items provided free to patients	Taxable
Uniforms, smocks and lab coats, sheets, gowns etc.	Taxable
Items consumed in providing medical treatment including but not limited to: gloves, face masks, hand soap and hand sanitizers, etc.	Taxable
Anatomical models and charts	Taxable
Shelving, display racks, display cases, checkout counters, cash registers & supplies, storage cabinets, etc.	Taxable
Educational materials, posters, literature	Taxable
Motor vehicles and accessories (including lifts and other attachments)	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs	Taxable
Linen services	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators, telephones and other similar equipment	Taxable
Printed materials production and distribution (such as direct mail items)	Taxable
Canned software and software upgrades and labor services to modify, alter, update or maintain software.	Taxable
<u>Custom</u> software, custom software upgrades and labor services to modify, alter, update or maintain customized software. <i>"Customized" software = software developed for a single end user.</i>	Exempt
Books, newspaper and magazine subscriptions	Taxable
Lease or rental of any tangible personal property - copier, fax, vehicle, etc.	Taxable
Advertising in newspapers, radio, television, etc.	Exempt
Security cameras and other security equipment purchased	Taxable
Security systems monitoring service	Exempt
Tangible property purchased to be given away or donated. (Items that are given away or donated to a tax exempt entity are not subject to sales tax as of April 2007)	Taxable
Promotional items including but not limited to: calendars, mugs, items of clothing, etc.	Taxable

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Purchases for Use	Taxable or Nontaxable
Plumbing, wiring, cabinets and other installation and repair services	Taxable
Complimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, balloons stickers, pens and candy	Taxable
Pest control materials and supplies	Taxable
Janitorial supplies	Taxable
Trash removal, shredding services, cleaning services (except when applying chemicals such as wax, scotch guard, etc.), plant watering and care	Exempt
Utilities including but not limited to electricity, gas and water	Taxable
Repairs, maintenance and remodeling labor services to existing commercial buildings or facilities	Taxable
Labor services on original construction of new building or facility	Exempt
Repair and replacement parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers, security equipment, etc.	Taxable
Warranty or service agreements for tangible personal property such as, computers, printers, copiers, security equipment, etc.	Taxable
Professional services such as legal or accounting services	Exempt
Business cards, office supplies, paper, toner cartridges, etc.	Taxable
Telephone answering services	Taxable

Sales by Medical Offices and Clinics:

The taxability of sales of tangible personal property and labor services by Medical Offices and Clinics is summarized below. **This list is not all inclusive.** The applicable sales tax must be collected unless the purchaser provides a valid exemption certificate*.

Sales	Taxable or Nontaxable
Charges for providing medical services	Exempt
Publications	Taxable
Vitamins and dietary supplements prescribed by licensed or mid-level practitioner (seller must retain documentation of the prescription to document the exemption)	Exempt
Nonprescription drugs, vitamins, dietary supplements	Taxable
Prescription drugs (seller must retain documentation of the prescription to document the exemption)	Exempt
Prosthetic devices prescribed to individual patients and the repair and replacement parts of such devices (seller must retain copy of the prescription to document the exemption)	Exempt
Oxygen delivery equipment, kidney dialysis equipment, and enteral feeding systems prescribed to individual patients	Exempt
Hearing aids and batteries, repair and replacement parts for same by a licensed person	Exempt

* Sales/rentals to exempt entities with proper exemption certificates provided are exempt from sales tax. Ensure the exemption certificates are retained to substantiate all non-taxed transactions.

Note: Kansas tax applies to the "gross receipts" from the sale of taxable goods or services in Kansas. Gross receipts include any amounts collected from the customer including any charges billed for freight, delivery or special handling.