SENATE BILL NO. 405–SENATOR NEAL

MARCH 15, 1999

Referred to Committee on Taxation

SUMMARY—Provides exemption from certain sales and use taxes for hearing aids. (BDR 32-873)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to taxation; providing an exemption from certain sales and use taxes for hearing aids; and providing other matters properly relating thereto.

WHEREAS, Contact with the world through hearing is important for language development in children and for social interaction at any age; and

WHEREAS, Deaf persons and persons with hearing impairments form the largest group in this country with a sensory impairment; and

WHEREAS, Hearing impairment is a communication disability and a social and occupational handicap that very often can be alleviated by a hearing aid; and

WHEREAS, The cost of a hearing aid is not covered by insurance in many circumstances for those who need them most; and

WHEREAS, Approximately one-third of Americans between the ages of 65 and 74 years and one-half of those 85 years and older have a hearing problem; and

WHEREAS, Because many of these affected older persons live on fixed incomes, it is often difficult for them to save enough money to purchase a hearing aid; and

WHEREAS, An exemption from the sales and use taxes for hearing aids would clearly increase the ability of many to afford these life-enhancing devices and would be consistent with the long-standing exemptions currently existing for other devices necessary to facilitate the lives of persons with physical disabilities such as prosthetic devices, orthotic appliances, appliances and supplies relating to ostomy and products for hemodialysis; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 374.287 is hereby amended to read as follows:

374.287 1. There are exempted from the taxes imposed by this chapter the gross receipts from sales and the storage, use or other consumption of:

(a) Prosthetic devices, orthotic appliances and ambulatory casts for human use, and other supports and casts if prescribed or applied by a licensed provider of health care, within his scope of practice, for human use.

(b) Appliances and supplies relating to an ostomy.

(c) Products for hemodialysis.

(d) Any ophthalmic or ocular device or appliance prescribed by a physician or optometrist.

(e) ***Hearing aids.***

(f) Medicines:

(1) Prescribed for the treatment of a human being by a person authorized to prescribe medicines, and dispensed on a prescription filled by a registered pharmacist in accordance with law;

(2) Furnished by a licensed physician, dentist or podiatric physician to his own patient for the treatment of the patient;

(3) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, dentist or podiatric physician; or

(4) Sold to a licensed physician, dentist, podiatric physician or hospital for the treatment of a human being.

2. As used in this section:

(a) ***"Hearing aid" means wearable instrument or device designed for or offered to aid or compensate for impaired human hearing and any parts, attachments or accessories, including earmolds, but excluding batteries and cords.***

(b) "Medicine" means any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease or affliction of the human body and which is commonly recognized as a substance or preparation intended for such use. The term includes splints, bandages, pads, compresses and dressings.

~~[(b)]~~ ***(c)*** "Medicine" does not include:

(1) ~~[Any auditory device or appliance.~~

~~(2)]~~ Articles which are in the nature of instruments, crutches, canes, devices or other mechanical, electronic, optical or physical equipment.

~~[(3)]~~ ***(2)*** Any alcoholic beverage, except where the alcohol merely provides a solution in the ordinary preparation of a medicine.

~~[(4)]~~ ***(3)*** Braces or supports, other than those prescribed or applied by a licensed provider of health care, within his scope of practice, for human use.

3. Insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on a prescription within the meaning of this section.

Sec. 2. This act becomes effective on July 1, 1999.

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