

SENATE BILL NO. 447—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

MARCH 25, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Exempts sales of certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment from sales and use taxes. (BDR 32-1255)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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 for an exemption from sales and use taxes for certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

At the 2016 General Elections, the voters of this State approved Initiative Petition No. 4, which proposed to amend the Nevada Constitution to require the Legislature to provide by law for an exemption from sales and use taxes for certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment. The initiative petition was again approved by the voters at the 2018 General Election. Accordingly, Article 10, **Section 3B** of the Nevada Constitution was enacted to require the Legislature to provide for the exemption. This bill enacts the exemption from sales and use taxes for certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment.

Sections 2-4 of this bill define the terms “durable medical equipment,” “mobility enhancing equipment” and “oxygen delivery equipment” for the purpose of the exemption. **Section 6** of this bill enacts the exemption for the sales and use taxes that are deposited into the State General Fund. **Section 9** of this bill amends the Local School Support Tax Law to provide an identical exemption. Any amendment to the Local School Support Tax Law also applies to other sales and use taxes imposed under existing law. (NRS 354.705, 374A.020, 376A.060, 377.040, 377A.030, 377B.110 and 543.600 and various special and local acts) **Section 12** of this bill provides that all these exemptions become effective on July 1, 2019.



* S B 4 4 7 R 1 *

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

1 **Section 1.** Chapter 360B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2. 1. “Durable medical equipment” means equipment,**
4 **including any repair and replacement parts therefor, which:**

5 **(a) Can withstand repeated use;**

6 **(b) Is primarily and customarily used to serve a medical**
7 **purpose;**

8 **(c) Generally is not useful to a person in the absence of illness**
9 **or injury; and**

10 **(d) Is not worn in or on the body.**

11 **2. The term includes, without limitation, abduction and**
12 **orthotic pillows, anesthesia ventilators, bone growth stimulators,**
13 **dialyzers, enteral feeding systems, drug infusion devices and**
14 **kidney dialysis machines.**

15 **Sec. 3. 1. “Mobility enhancing equipment” means**
16 **equipment, including any repair and replacement parts therefor,**
17 **which:**

18 **(a) Is primarily and customarily used to provide or increase**
19 **the ability to move from one place to another and which is**
20 **appropriate for use either in a home or a motor vehicle;**

21 **(b) Is not generally used by persons with normal mobility; and**

22 **(c) Does not include any motor vehicle or equipment on a**
23 **motor vehicle normally provided by a manufacturer of motor**
24 **vehicles.**

25 **2. The term includes, without limitation, wheelchairs,**
26 **walkers, canes, crutches, mobility enhancing car seats for children**
27 **with disabilities and swivel seats for persons with disabilities.**

28 **Sec. 4. “Oxygen delivery equipment” means equipment,**
29 **including any repair and replacement parts therefor, which is used**
30 **to deliver oxygen or aerosolized medicine to a person. The term**
31 **includes, without limitation, tanks and concentrators, ventilators,**
32 **nebulizers, oral-nasal cannulas and continuous positive airway**
33 **pressure (CPAP) machines.**

34 **Sec. 5.** NRS 360B.400 is hereby amended to read as follows:

35 360B.400 In administering the provisions of this chapter and
36 chapters 372 and 374 of NRS, and in carrying out the provisions of
37 the Agreement, the Department shall construe the terms defined in
38 NRS 360B.405 to 360B.495, inclusive, **and sections 2, 3 and 4 of**
39 **this act**, unless the context otherwise requires, in the manner
40 prescribed by those sections.



1 **Sec. 6.** Chapter 372 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *There are hereby exempted from the taxes imposed by this*
4 *chapter the gross receipts from sales of, and the storage, use or*
5 *other consumption of:*

- 6 1. *Durable medical equipment;*
- 7 2. *Mobility enhancing equipment; and*
- 8 3. *Oxygen delivery equipment,*

9 *↪ prescribed for human use by a licensed provider of health care*
10 *acting within his or her scope of practice.*

11 **Sec. 7.** NRS 372.195 is hereby amended to read as follows:

12 372.195 Every retailer maintaining a place of business in this
13 State and making sales of tangible personal property for storage, use
14 or other consumption in this State, not exempted under NRS
15 372.260 to 372.350, inclusive, *and section 6 of this act*, shall, at the
16 time of making the sales or, if the storage, use or other consumption
17 of the tangible personal property is not then taxable hereunder, at
18 the time the storage, use or other consumption becomes taxable,
19 collect the tax from the purchaser and give to the purchaser a receipt
20 therefor in the manner and form prescribed by the Tax Commission.

21 **Sec. 8.** NRS 372.260 is hereby amended to read as follows:

22 372.260 “Exempted from the taxes imposed by this chapter,”
23 as used in NRS 372.260 to 372.350, inclusive, *and section 6 of this*
24 *act*, means exempted from the computation of the amount of taxes
25 imposed.

26 **Sec. 9.** Chapter 374 of NRS is hereby amended by adding
27 thereto a new section to read as follows:

28 *There are hereby exempted from the taxes imposed by this*
29 *chapter the gross receipts from sales of, and the storage, use or*
30 *other consumption of:*

- 31 1. *Durable medical equipment;*
- 32 2. *Mobility enhancing equipment; and*
- 33 3. *Oxygen delivery equipment,*

34 *↪ prescribed for human use by a licensed provider of health care*
35 *acting within his or her scope of practice.*

36 **Sec. 10.** NRS 374.200 is hereby amended to read as follows:

37 374.200 Every retailer maintaining a place of business in a
38 county and making sales of tangible personal property for storage,
39 use or other consumption in the county, not exempted under NRS
40 374.265 to 374.355, inclusive, *and section 9 of this act*, shall, at the
41 time of making the sales or, if the storage, use or other consumption
42 of the tangible personal property is not then taxable hereunder, at
43 the time the storage, use or other consumption becomes taxable,
44 collect the tax from the purchaser and give to the purchaser a receipt
45 therefor in the manner and form prescribed by the Department.



- 1 **Sec. 11.** NRS 374.265 is hereby amended to read as follows:
2 374.265 “Exempted from the taxes imposed by this chapter,”
3 as used in NRS 374.265 to 374.355, inclusive, *and section 9 of this*
4 *act*, means exempted from the computation of the amount of taxes
5 imposed.
6 **Sec. 12.** This act becomes effective on July 1, 2019.

