



Georgia Department of Revenue
Informational Bulletin SUT 2008-08-14
Legislative Changes Expanding the Exemptions for
Durable Medical Equipment and Prosthetic Devices

- 1) **Purpose/Subject:** Expansion of Existing Exemption for Sale or Use of Durable Medical Equipment and Prosthetic Devices
- 2) **Effective Date:** July 1, 2008.
- 3) **Supersedes:** All previous documents and any oral directives in conflict. This informational bulletin is intended to serve as interim guidance while the Department revises Ga. Comp. R. & Regs. § 560-12-2-.30 to reflect the changes to existing sales tax exemptions resulting from the passage of House Bill 1078 during the 2008 Legislative Session. This document specifically supersedes those portions of Ga. Comp. R. & Regs. § 560-12-2-.30 that are in conflict with the recent legislative changes contained in HB 1078 (O.C.G.A. § 48-8-3(54) effective July 1, 2008).
- 4) **Authority:** HB 1078; O.C.G.A. § 48-8-3(54).
- 5) **Scope:** An informational bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers. An informational bulletin does not have the force or effect of law, and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.
- 6) **Issue(s):** Expansion of Existing Exemptions for Sale or Use of Durable Medical Equipment and Prosthetic Devices
- 7) **Discussion of Issues**
 - i) The 2008 General Assembly passed and Governor Sonny Perdue signed into law HB 1078, which expands the existing sales and use tax exemptions for the sale or use of durable medical equipment and prosthetic devices.

- ii) House Bill 1078, which is effective July 1, 2008, amended O.C.G.A. § 48-8-3(54) (relating to durable medical equipment) and repealed O.C.G.A. § 48-8-3(54.1) (relating to prosthetic devices). The bill combined the two exemptions into one exemption paragraph. HB 1078 also eliminated certain requirements for qualifying for the exemptions, thereby expanding the existing sales and use tax exemptions for sales of durable medical equipment and prosthetic devices.
- iii) The new combined exemption provides that sales and use taxes do not apply to “the sale or use of any durable medical equipment or prosthetic device prescribed by a physician.” O.C.G.A. § 48-8-3(54).
- iv) Durable Medical Equipment: HB 1078 eliminated the requirement that durable medical equipment be defined under Titles XVIII and XIX of the federal Social Security Act in order to qualify for the exemption. The bill also eliminated the requirement that durable medical equipment be paid for directly by funds from the State of Georgia or the US Government under Medicare or Medicaid. However, durable medical equipment must be prescribed by a physician to qualify for the exemption.
- v) Prosthetic Devices: HB 1078 repealed the current prosthetic device exemption provided in Code Section 48-8-3(54.1); however, a similar exemption was added to the durable medical equipment exemption in Code Section 48-8-3(54). As with the durable medical equipment exemption, HB 1078 eliminated the requirement that prosthetic devices be defined under Titles XVIII and XIX of the federal Social Security Act in order to qualify for the exemption. However, prosthetic devices must be prescribed by a physician to qualify for the exemption.

FOR MORE INFORMATION

For more information on this subject, please contact the Taxpayer Services Division at 404-417-6601, from 8:00 am to 4:30 pm EST, Monday through Friday, excluding holidays. You can also obtain assistance by contacting the office of Taxpayer Information Programs and Services (TIPS) at 404-417-4477 or 1-877-602-8477. Persons with hearing or speech impairments may call our TDD numbers at (770) 960-2069 or 1-(800)-338-4310. For forms and other information, visit our website (www.dor.ga.gov).
