

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 11-1047.01 Jason Gelender

SENATE BILL 11-263

SENATE SPONSORSHIP

Tochtrop, Brophy, Jahn

HOUSE SPONSORSHIP

Becker,

Senate Committees

Finance
Appropriations

House Committees

Finance

A BILL FOR AN ACT

101 **CONCERNING CLARIFICATION OF THE STATE SALES TAX EXEMPTION**
102 **FOR SALES OF MEDICAL PRODUCTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill clarifies the state sales tax exemption for sales of medical products in order to ensure that all of the following transactions are tax exempt:

! All sales of prescription drugs that are dispensed in accordance with a prescription by a licensed provider or are

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
2nd Reading Unamended
May 10, 2011

SENATE
3rd Reading Unamended
May 9, 2011

SENATE
Amended 2nd Reading
May 6, 2011

- furnished by a licensed provider;
- ! All sales of insulin dispensed pursuant to the direction of a licensed provider;
- ! All sales of nonprescription drugs or materials when furnished by a licensed provider as part of professional services provided to a patient; and
- ! All sales of various therapeutic products with a retail value of over \$100 that are sold in accordance with a written recommendation from a licensed provider in order to correct or treat a human physical disability or surgically created abnormality.

The bill defines "licensed provider" to mean any person authorized to prescribe drugs pursuant to the state laws regulating professions and occupations.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 39-26-717 (1) (a) and (1) (b), Colorado Revised
 3 Statutes, are amended, and the said 39-26-717 is further amended BY
 4 THE ADDITION OF A NEW SUBSECTION, to read:

5 **39-26-717. Drugs and medical and therapeutic devices -**
 6 **definition.** (1) The following shall be exempt from taxation under the
 7 provisions of part 1 of this article:

8 (a) All sales of PRESCRIPTION drugs dispensed in accordance with
 9 a prescription BY A LICENSED PROVIDER OR FURNISHED BY A LICENSED
 10 PROVIDER AS PART OF PROFESSIONAL SERVICES PROVIDED TO A PATIENT
 11 OR CLIENT, all sales of insulin in all its forms dispensed pursuant to the
 12 direction of a licensed ~~physician~~ PROVIDER, all sales of glucose useable
 13 for treatment of insulin reactions, all sales of urine- and blood-testing kits
 14 and materials, all sales of insulin measuring and injecting devices,
 15 including hypodermic syringes and needles, all sales of prosthetic
 16 devices, all sales of wheelchairs and hospital beds, all sales of
 17 NONPRESCRIPTION drugs or materials when furnished by a ~~doctor~~

1 LICENSED PROVIDER as part of professional services provided to a patient,
2 and all sales of corrective eyeglasses, contact lenses, or hearing aids;

3 (b) When sold in accordance with a written recommendation from
4 a licensed ~~doctor~~ PROVIDER, all sales of therapeutic devices, appliances,
5 or related accessories, with a retail value of more than one hundred
6 dollars, that are sold to correct or treat a human physical disability or
7 surgically created abnormality; and

8 (2) FOR PURPOSES OF THIS SECTION, "LICENSED PROVIDER" MEANS
9 ANY PERSON AUTHORIZED TO PRESCRIBE DRUGS UNDER THE PROVISIONS
10 OF TITLE 12, C.R.S.

11 **SECTION 2. No appropriation.** The general assembly has
12 determined that this act can be implemented within existing
13 appropriations, and therefore no separate appropriation of state moneys
14 is necessary to carry out the purposes of this act.

15 **SECTION 3. Effective date - applicability.** This act shall take
16 effect July 1, 2011, and shall apply to sales occurring on or after said date.

17 **SECTION 4. Safety clause.** The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, and safety.