

December 6, 1999

Sales and Use Tax - Mobility Enhancing Equipment for Use on a Motor Vehicle. MOBILITY ENHANCING EQUIPMENT FOR USE ON A MOTOR VEHICLE PURCHASED PURSUANT TO A PRESCRIPTION ISSUED BY A NEBRASKA-LICENSED PHYSICIAN IS EXEMPT FROM SALES AND USE TAX.

Advice has been requested whether the purchase of mobility enhancing equipment on and after October 1, 1999, for use on a motor vehicle is subject to sales tax.

Mobility enhancing equipment is equipment installed on a motor vehicle to make the motor vehicle suitable for use by a disabled or handicapped person. Mobility enhancing equipment appropriate for use on a motor vehicle includes items such as transfer of controls, accelerator and brake hand controls, sensitized or low effort brake, sensitized or low effort steering, drop floors, raised roof, power door openers, van lifts, power transfer seats, wheel chair tie downs, and air kneel suspension (adjustable shock absorbers and compressor which lower the van to within inches of the ground).

Mobility enhancing equipment does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer. Examples of items that are not mobility enhancing equipment are power steering, power brakes, automatic transmissions, automatic door locks, running boards, and telephones.

Pursuant to Nebraska Revised Statute section 77-2704.09, mobility enhancing equipment purchased by any disabled or handicapped person who is required to use durable medical equipment, orthotics, or prosthetics for locomotion and which is purchased pursuant to a prescription issued by a Nebraska-licensed physician is exempt from sales and use tax when the following procedures are followed. (Mobility enhancing equipment that is purchased to meet the needs of a dependent who could have purchased the mobility enhancing equipment themselves is also exempt. A dependent is generally a family member and may include a parent, spouse, son, or daughter.)

If the purchaser is purchasing a motor vehicle with mobility enhancing equipment already installed, the purchaser must issue to the seller a Nebraska Certificate of Exemption for Mobility Enhancing Equipment on a Motor Vehicle, Form 13ME, and a copy of the prescription issued by a Nebraska-licensed physician.

Disabled or handicapped persons who purchase mobility enhancing equipment separate from a motor vehicle must issue to the seller a Nebraska Resale or Exempt Sale Certificate, Form 13. The prescription issued by a Nebraska-licensed physician must be attached to the Form 13.

The purchase of repair and maintenance parts for mobility enhancing equipment on a motor vehicle is exempt from sales and use tax provided the owner of the vehicle gives the repairperson a copy of the prescription issued by a Nebraska-licensed physician and either a completed Form 13, Section B, or Form 13ME.

The purchase of a maintenance agreement that covers mobility enhancing equipment on a motor vehicle is exempt from sales and use tax provided the purchaser gives the seller a copy of the

prescription issued by a Nebraska-licensed physician and either a completed Form 13, Section B, or Form 13ME. If there is a single charge for a maintenance agreement that covers both the vehicle and mobility enhancing equipment, the charge for the maintenance agreement is taxable.

Any disabled or handicapped person who pays sales tax on mobility enhancing equipment purchased on or after October 1, 1999, may obtain a refund of the tax by filing a Claim for Overpayment of Sales and Use Tax, Form 7, with the Nebraska Department of Revenue. Documentation including a copy of the prescription issued by a Nebraska-licensed physician must be filed with the claim.

Mobility enhancing equipment that is purchased by a nursing home, hospital, or other organization is not exempt from sales and use tax unless the organization itself is exempt from sales and use tax and holds a valid certificate of exemption issued by the Nebraska Department of Revenue.

APPROVED:

A handwritten signature in black ink, appearing to read 'MJE', with a long horizontal stroke extending to the right.

Mary Jane Egr
State Tax Commissioner

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