

REG-1-051, Physicians and Dentists

051.01 Charges for professional services rendered by physicians and dentists are not taxable.

051.02 Physicians and dentists are considered consumers of property and services they purchase for use in the practice of their professions.

051.02A Sales of drugs, except over-the-counter drugs, prosthetic devices, durable medical equipment, mobility enhancing equipment, and home medical supplies, are exempt from sales tax if purchased by a physician or dentist to be prescribed, dispensed, administered, or transferred to an individual human patient during the treatment of the patient, if the purchase by the patient would be exempt under Reg-1-050, Medicines and Medical Equipment.

051.02B Sales of supplies that are used in examinations or diagnosis, and test or diagnostic equipment, are taxable when purchased or leased by the physician or dentist for use in his or her practice or for use by more than one patient.

051.02C Sales of durable medical equipment, mobility enhancing equipment, and home medical supplies that are not transferred to a specific patient are taxable when purchased by the physician or dentist.

051.02D Sales of equipment, tools, supplies, software, or other technology necessary to use durable medical equipment, prosthetic devices, supplies, mobility enhancing equipment, or home medical supplies are taxable.

051.03 When physicians or dentists sell property separately from treating patients, they are required to collect the tax on these sales or maintain records in a location separate from confidential patient records, showing the sales were exempt from sales tax.

051.04 Under Nebraska law, procuring, furnishing, donating, processing, distributing, or using human whole blood, plasma, blood products, blood derivatives, and other human tissues such as corneas, bones, or organs for the purpose of injecting, transfusing, or transplanting any of them in the human body is providing a service and not a sale of property subject to sales or use taxes; whether or not any payment is received.

051.05 Charges for copies of medical records are taxable except for:

051.05A Medical records provided to the patient or a person holding that patient's power of attorney for health care, defined in Neb Rev. Stat. §§ 30-3401 through 30-3432; or

051.05B Medical records sold to Medicare, Medicaid, or an entity that is exempt from sales and use tax.

051.06 The definitions found in Reg-1-050.01 apply to this regulation.

(Neb. Rev. Stat. §§ 71-4001, 77-2704.09 and 77-2704.59. June 24, 2017.)