

# Chiropractors

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Sales Tax  
Fact Sheet

This fact sheet will help chiropractors determine when they should charge sales tax on their sales, and when they owe use tax on their purchases.

Charges for chiropractic treatments and therapy are not subject to sales tax. However, massage services and many items chiropractors sell in their business are taxable retail sales. Chiropractors need to register with the Department of Revenue to get a Minnesota tax identification number to collect and remit sales tax on taxable sales. They also need to report use tax, as described later in this fact sheet.

For detailed information on how sales and use tax applies to massage services, over-the-counter drugs, prescription drugs, and other health care products, refer to the sales tax fact sheets listed below:

- **Dietary Supplements**, Fact Sheet 102E
- **Drugs**, Fact Sheet 117A
- **Durable Medical Equipment**, Fact Sheet 117B
- **Mobility Enhancing Equipment**, Fact Sheet 117C
- **Prosthetic Devices**, Fact Sheet 117D
- **Health Product Exemptions**, Fact Sheet 117E
- **Grooming and Hygiene Products**, Fact Sheet 117F
- **Massages**, Fact Sheet 162 (also see Revenue Notice 07-06)

**Prosthetic devices.** Sales of prosthetic devices are not taxable. See Fact Sheet 117D for more information. Examples of nontaxable prosthetic devices:

- abdominal belts and supports
- ace bandages
- arch supports
- braces (neck, back, wrist, etc.)
- cervical collars
- elastic bandages and supports
- head halters
- shoe lifts and inserts

**Durable medical equipment.** Sales of durable medical equipment for home use are not taxable. Sales of durable medical equipment to chiropractors, hospitals,

nursing homes, clinics, doctors, etc. are taxable since they are not for home use. To qualify as durable medical equipment, the items must be reusable. See Fact Sheet 117B for details. Examples of durable medical equipment:

- heat lamps
- heating pads, hot water bottles
- ice packs and bags (reusable)
- pillows (abduction, cervical, orthotic)

**Taxable sales.** Examples of items you may sell that are subject to sales tax:

- books or brochures on any topic, such as nutrition or back care
- copies of medical records
- hand creams or lotions
- ice packs and hot packs (disposable)
- massages (see Fact Sheet 162 for more information)
- non-medicated muscle-soothing ointment, liniment, mineral ice (see Fact Sheet 117A for more information)
- video or audio cassettes
- vitamins, minerals, herbal capsules or pellets, enzymes, or other dietary supplements (See Fact Sheet 102E for more information)

**Equipment sales.** If you sell or lease equipment or other items that you used in your business, the sale or lease may be subject to sales tax. See Fact Sheet 132, Occasional Sales of Business Equipment and Goods, for more information.

**MinnesotaCare tax** applies to gross revenues received for chiropractic services. For information please check the MinnesotaCare “Publications” and “Tax help” sections available on our website. You may also write or call: minnesotacare.tax@state.mn.us, or  
MinnesotaCare Tax Division  
Minnesota Department of Revenue  
Mail Station 6100  
St. Paul, MN 55146-6100  
Phone: 651-282-5533

**Sales to nonprofit organizations.** Qualifying exempt organizations must give you a fully completed exemption certificate to make purchases without paying sales tax.

## Purchases

**Resale.** Items that will be sold to patients may be purchased exempt from sales tax. Give the seller a fully completed Certificate of Exemption, Form ST3, to buy these items without paying sales tax.

**Medical supplies.** Purchases of medical supplies by licensed health care facilities or licensed health care professionals, including chiropractors, are exempt from sales and use taxes if they are used directly on patients or residents as part of treatment. The exemption applies to adhesive and non-adhesive bandages, gauze pads and strips, cotton applicators, antiseptics, lotions, oils, and other similar supplies used directly on patients in providing medical services. Give the seller a fully completed Certificate of Exemption, Form ST3, to buy these items without paying sales tax.

This exemption does not apply to items such as tongue depressors, lancets, electrodes, and rolls of paper to cover exam tables. Even though these items have direct contact with the patient, they are not used as part of treatment, but rather are used for diagnostic or sanitary purposes.

Medical supplies do not include durable medical equipment, repair or replacement parts for durable medical equipment, or disposable medical equipment. Disposable or single use medical equipment and surgical instruments do not qualify for the medical supplies exemption. Other items that are not included in the exemption are laboratory supplies, radiological supplies, and other items used in providing medical services. Refer to Fact Sheet 117B for more information on durable medical equipment.

### Examples of *nontaxable* purchases:

- phone answering services provided by live operators
- clothing such as gowns, uniforms, gloves, disposable clothing (See Fact Sheet 105, Clothing for more information)
- magazine subscriptions

**Taxable purchases.** You must pay sales or use tax when you buy items such as office equipment, furniture, stationery and other office supplies, and certain services.

### Examples of *taxable* purchases:

books	pamphlets
brochures	patient divider screens
business cards	plaques
calculators	posters
claim forms	signs
coloring books and toys	software
computers	spinal column models
credit card machines	stickers
exam tables	televisions
film	tissues
greeting cards	towels
manuals	ultrasound machines
office furniture	videos
office supplies	x-ray machines and supplies

**Taxable services.** Some services such as building cleaning, carpet cleaning, security services, lawn mowing, and laundry services are specifically taxed by law. If you buy these services, sales or use tax applies. See the following fact sheets for more information:

- 112, Building Cleaning and Maintenance
- 114, Detective and Security Services
- 120, Laundry and Cleaning Services
- 121, Lawn and Garden Care, Tree and Bush Service, Landscaping

## Use tax

Use tax applies to items or services *you use* in your business that were purchased without paying sales tax to the seller. Use tax is similar to sales tax and the rates are identical. Use tax is based on your cost of the taxable items. Local use tax also applies if you are located in an area with a local tax.

Common examples of when use tax is due:

- You buy a computer to keep records for your business from an out-of-state vendor who does not charge or collect Minnesota sales tax.
- You buy items for resale for your business, and then remove some of the items from inventory for business or personal use, or to give as gifts.

Note: Use tax does not apply to items that you purchased without paying sales tax using an exemption certificate (as described in *Purchases*) *unless* you put the items to personal or business use.

Use tax due is reported when you electronically file your sales and use tax return. Request Sales Tax Fact Sheet 146, Use Tax for Businesses, for more information.

## Local sales and use taxes

If you are located or working in an area with a local tax, local sales or use tax may also be due. Local taxes are listed and explained in detail in Fact Sheet 164, Local Sales and Use Taxes.

### References:

M.S. 148.01, Chiropractic  
M.S. 297A.67, Subd. 2, Food and Food Ingredients  
M.S. 297A.67, Subd. 7, Drugs, Medical Devices  
M.S. 297A.68, Subd. 28, Medical Supplies  
Revenue Notice 07-06, MinnesotaCare Tax and Sales Tax - Patient Services – Massage Therapy

### Be sure to see these fact sheets:

Dietary Supplements, #102E  
Drugs, #117A  
Durable Medical Equipment, #117B  
Mobility Enhancing Equipment, #117C  
Prosthetic Devices, #117D  
Health Product Exemptions, #117E  
Grooming and Hygiene Products, #117F  
Massages, #162  
Health Care Facilities, #172

### Other fact sheets you may need:

Use Tax for Businesses, #146  
Local Sales and Use Taxes, #164  
MinnesotaCare Tax Fact Sheet #2, Chiropractors