

HCS HB 1244 -- SALES TAX EXEMPTION FOR CERTAIN DRUGS AND MEDICAL EQUIPMENT

SPONSOR: Sutherland (Sater)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 11 to 0.

This substitute authorizes a state and local sales and use tax exemption for over-the-counter or nonprescription drugs which are prescribed by a practitioner or any medical equipment, supplies, or devices which are ordered by a physician or that are otherwise paid for by insurance, the federal Medicare Program, or the Missouri Medicaid Program.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown in FY 2011, FY 2012, and FY 2013. Estimated Cost on Other State Funds of Unknown in FY 2011, FY 2012, and FY 2013.

PROPONENTS: Supporters say that as more drugs are moved from prescription to over-the-counter, pharmacies are confused about the taxability of these drugs since doctors continue to prescribe them and insurance companies continue to pay. The Department of Revenue has audited pharmacies and assessed taxes on over-the-counter drugs.

Testifying for the bill were Representative Sater; Missouri Pharmacy Association; and Missouri Retailers Association.

OPPONENTS: There was no opposition voiced to the committee.