

TITLE 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 110—Sales/Use Tax—Exemptions

12 CSR 10-110.013 Drugs and Medical Equipment

PURPOSE: Section 144.030.2(18), RSMo, provides an exemption for prescription drugs, orthopedic and prosthetic devices, numerous dental items, hearing aids, hearing aid supplies, and certain sales of over-the-counter drugs. This rule explains the sales tax law as it applies to these exemptions.

(1) In general, sales of prescription drugs, orthopedic and prosthetic devices and certain qualifying health-related equipment, and certain sales of over-the-counter drugs, are exempt from Missouri sales tax.

(2) Definition of Terms.

(A) Orthopedic device—a rigid or semi-rigid leg, arm, back or neck brace and casting materials which are directly used for the purpose of supporting a weak or deformed body member or restricting or eliminating motion in a diseased or injured part of the body.

(B) Over-the-counter drug—a drug product containing a drug facts label as required in 21 CFR 201.66 or its successor that may be purchased without a physician's prescription.

(C) Prescription drug—a drug dispensed by a licensed pharmacist only upon a lawful prescription from a licensed practitioner.

(D) Prosthetic device—a device that replaces all or part of the function of a permanently inoperative or malfunctioning internal body organ and is medically required, or an artificial leg, arm, or eye.

(3) Basic Application of Tax.

(A) Sales of prescription drugs, insulin, medical grade oxygen, drug samples and materials used to manufacture samples, which may be dispensed by a licensed practitioner, are exempt from tax.

(B) Sales of prosthetic and orthopedic devices as defined by the federal Medicare program under Title XVIII of the Social Security Act of 1965 are exempt from tax.

(C) Also exempt from sales tax are items specified in section 1862(A)(12) of the Social Security Act of 1965. Exempt items included in this class are those used in connection with the treatment, removal, or replacement of teeth or structures directly supporting teeth. Dental equipment or supplies are not exempt. The exempt items include—

1. Dentures;
2. Inlays;

3. Bridge work;
4. Fillings;
5. Crowns;
6. Braces, aligners, dental straighteners; or
7. Artificial dentistry and dental reconstructions, which are made, manufactured, or fabricated from molds or impressions made by dentists of the mouths of their particular patients and sold to dentists for insertion in the patient's mouth as the direct support of, substitution for, or part of the patient's teeth.

(D) Sales of other specific health-related equipment and accessories are exempt from sales tax.

1. These specific items are—

- A. Ambulatory aides
- B. Braille writers
- C. Electronic Braille equipment
- D. Home respiratory equipment and accessories
- E. Hospital beds and accessories
- F. Stairway lifts
- G. Wheelchairs, manual and powered

2. If purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, the following items are also exempt:

- A. Electronic print enlargers and magnifiers
- B. Electronic alternative and augmentative communication devices
- C. Items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities
- D. Reading machines
- E. Scooters

(E) Sales of over-the-counter drugs when sold to an individual with a disability or to the individual's agent are exempt from tax. When selling over-the-counter drugs to an individual with disability, the retailer should obtain a purchaser's signed statement of disability. The retailer should retain these statements for three (3) years. The statement should include the purchaser's name, type of purchase, and amount of purchase, and be

signed by the purchaser or the purchaser's agent. The retailer should request a form of identification, such as drivers license, credit card, etc., to verify the identity of the purchaser.

(F) Sales of over-the-counter drugs prescribed by a health care practitioner licensed to prescribe are exempt from tax. The customer must provide the prescription at the time of purchase. The seller must retain an electronic or paper record documenting that an untaxed sale of an over-the-counter drug was prescribed by a health care practitioner licensed to prescribe.

(4) Examples.

(A) A retailer sells an over-the-counter drug to an individual claiming a disability. The sale is exempt if the retailer obtains from the purchaser or their agent a statement similar to the following:

Purchases of over-the-counter drugs by individuals with disabilities are exempt from sales tax. IT IS UNLAWFUL TO FRAUDULENTLY CLAIM AN EXEMPTION. I CERTIFY THAT I HAVE A DISABILITY AND AM ENTITLED TO CLAIM THIS EXEMPTION OR I AM CLAIMING THIS EXEMPTION ON BEHALF OF A PERSON OR PERSONS WITH A DISABILITY.

Type of Purchase _____
Amount _____
Type of ID _____
ID Number _____
Name (print) _____
Signature _____

(B) Examples of exempt prosthetic devices include:

1. Breast prosthetics, including surgical brassieres for postmastectomy patients
2. Cardiac pacemakers
3. Colostomy and other ostomy bags and the necessary equipment required for attachment
4. Electronic speech aids if the patient has had a laryngectomy or his/her larynx is permanently inoperative
5. Hearing aids and hearing aid supplies
6. Hemodialysis equipment
7. Maxillofacial devices and devices which replace all or part of the ear or nose
8. Prosthetic lenses which replace the lens of an eye hen replacing bladder function in cases of permanent urinary incontinence

9. Urinary collection systems, including Foley catheters, when replacing bladder function in cases of permanent urinary incontinence

10. Eyeglasses, contact lenses, bedpans and incontinent apparel are not considered prosthetic devices and are subject to sales tax

(C) Examples of exempt orthopedic devices include:

1. Artificial legs, arms and eyes including terminal devices such as artificial hands
2. Hoods and space shoes which replace part of a foot
3. Orthotics
4. Stump stockings and harnesses when they are essential to the effective use of an artificial limb
5. Trusses
6. Elastic braces, elastic stockings, arm slings, elastic wraps and garter belts, are not considered orthopedic devices and are subject to sales tax

(D) Examples of exempt orthopedic and prosthetic devices used in dentistry include:

1. Restorative materials.
 - A. Acrylics
 - B. Aluminum crowns
 - C. Amalgam
 - D. Bases and liners
 - E. Cements
 - F. Chrome steel crowns
 - G. Copper bands
 - H. Crown forms
 - I. Dentin enamel adhesives
 - J. Denture anchors
 - K. Denture repair materials
 - L. Denture teeth
 - M. Gold
 - N. Mercury
 - O. Pins

- P. Pit and fissure sealants
- Q. Porcelains
- R. Posts
- S. Temporary filling materials
- T. Zinc oxide (Eugenol)

2. Prosthetic devices and supportive materials.

- A. Acrylics
- B. Bonding materials
- C. Chrome alloys
- D. Composed materials
- E. Denture anchors
- F. Denture repair materials
- G. Denture teeth
- H. Implant materials
- I. Metal alloys

3. Orthodontic devices and materials.

- A. Arch bar splits
- B. Bone grafting materials
- C. Cresitine
- D. Endodontic materials
- E. Face bow head gear
- F. Gor-tex grafting materials
- G. Gutta percha points
- H. Muscosal grafts (natural and artificial)
- I. Orthodontic appliances
- J. Orthodontic brackets
- K. Orthodontic elastics
- L. Orthodontic expansion screw

- M. Orthodontic resins
- N. Orthodontic separators
- O. Orthodontic waxes
- P. Orthodontic wires
- Q. Root canal sealants
- R. Silver points
- S. Surgical wires

(E) Sales of other specific health-related equipment and accessories are exempt from sales tax.

1. These specific items are—

- A. Ambulatory aides, including parts;
- B. Braille writers;
- C. Electronic Braille equipment;
- D. Hospital beds and accessories;
- E. Home respiratory equipment and accessories, including parts;
- F. Stairway lifts; and
- G. Wheelchairs, manual and powered, including parts.

2. If purchased by or on behalf of a person with one (1) or more physical or mental disabilities to enable them to function more independently, the following items are also exempt:

- A. Electronic alternative and augmentative communication devices;
- B. Electronic print enlargers and magnifiers;
- C. Items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities;
- D. Reading machines; and
- E. Scooters, including parts.

*AUTHORITY: section 144.270, RSMo 2016. * Original rule filed Sept. 29, 1999, effective April 30, 2000. Amended: Filed Aug. 18, 2025, effective Feb. 28, 2026.*

**Original authority: 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961, 2008.*

EBI Medical Systems, Inc. v. Director of Revenue (AHC 1997). The taxpayer manufactured and sold osteogenic (bone) stimulators. The devices provided small amounts of electrical current that stimulate the bone to promote growth and healing, and were available by prescription only. The taxpayer argued the stimulators were exempt from taxation under section 144.030.2(18), RSMo, using three alternative theories: (1) as a prosthetic device, (2) as an orthopedic device, and (3) as a prescription drug. The Commission found the stimulator was an orthopedic device, but not a prosthetic device nor a prescription drug. The stimulators qualified as orthopedic devices under Regulation 12 CSR 10- 3.852(3) that defines orthopedic devices to include orthotics. The Commission defined orthotics as “an orthopedic appliance or apparatus used to support, align, prevent, or correct deformities or to improve the function of movable parts of the body.” The Commission concluded the stimulator promotes bone growth to correct deformities, and therefore, was an orthotic and an orthopedic device. The Social Security Act of 1965, 42 U.S.C. Section 1395x(s)(8), defines prosthetic devices as devices “which replace all or part of an internal body organ.” Since the stimulators do not “replace all or part of the function of a permanently inoperative or malfunctioning internal body organ,” the stimulators were not prosthetic devices. The federal definition of “Prescription drug,” set forth in 21 U.S.C.A. Section 321(g)(1), specifically excludes devices or their component parts or accessories. The Commission found the stimulator was a device, and therefore, by definition, was not a prescription drug.

Red Line Medical Supply, Inc. v. Director of Revenue (AHC 1995). This case involved a taxpayer engaged in the business of selling medical supplies at retail. The taxpayer stated its belief that enteral nutrients were “prosthetic devices” under Title XVIII of the Social Security Act of 1965 and, therefore, its sales of the nutrients were exempt from Missouri sales/use tax. The Commission found that the federal statutes were interpreted in part by the Carriers Manual and, therefore, could be utilized in determining whether enteral nutrients were prosthetic devices. It further found, however, that the manual did not define enteral nutrients as prosthetic devices. The Commission also found that under Missouri case law, ***Medic House, Inc. v. Director of Revenue***, 799 S.W.2d 81 (Mo. banc 1990), in order for enteral nutrients to qualify as “prosthetic devices,” they must “(1) ‘replace all or part of an internal body organ’ and (2) be ‘medically required.’” Applying the facts to the case, the Commission found that enteral nutrients were not prosthetic devices and, therefore, taxpayer should have collected and remitted Missouri sales taxes on its sales of enteral nutrients.

Four Rivers Home Health Care, Inc. v. Director of Revenue (AHC 1992). Taxpayer sold oxygen for medicinal use and also sold durable medical equipment. Taxpayer did not collect or remit sales tax on either oxygen or durable medical equipment because it considered both to be exempt pursuant to 144.030.2(18), RSMo. Taxpayer sold oxygen only upon a physician’s prescription; but taxpayer did not have a licensed pharmacist on the premises. Taxpayer also sold wheelchairs, motorized three-wheel vehicles, crutches, walkers, canes, commode chairs, pressure pads and cushions, seat lift chairs and patient lifts, arm slings, flow meters, oxygen regulators and intermittent partial pressure breathing apparatus. The Commission found that oxygen was a drug. However, it is not designated as a prescription drug. The Missouri Supreme Court has ruled that the sales tax exemption does not apply to this oxygen since persons other

than a licensed pharmacist dispense it. **Medic House, Inc. v. Director of Revenue**, 799 S.W.2d 81 (Mo. banc 1990). The Commission found that a prosthetic device physically replaces a missing organ. A device that accommodates the absence of an organ or supplements the impaired function of an organ is not a prosthetic device. The listed durable medical equipment did not replace a missing organ and were not prosthetic devices. The Commission also found that orthopedic devices are defined in 42 U.S.C.1395x(s)(9). Leg, arm, back, and neck braces, and artificial legs, arms, and eyes, including replacements, are exempt if required by a change in the patient's physical condition. The durable medical equipment items sold by taxpayer were not artificial limbs or braces. These items are not exempt under section 144.030.2(18), RSMo.