

**ADMINISTRATIVE GUIDELINES**  
**MEDICAL SERVICES, PRESCRIPTION DRUGS**  
**Procedure 407**

Medical professionals listed in CBJ 69.05.040(7) are not required to collect the sales tax from their customers on the sale of goods or services that fall within the scope of their state license.

Controlled substances, drugs and medicines are not subject to the sales tax when prescribed, dispensed or administered by a medical professional listed 69.05.040(7).

Please note: regardless if the transaction is exempt from the sales tax, the merchant who is making the sales transaction is required to include the sale in their gross sales and exempt accordingly when reporting on the CBJ sales tax return.

*69.05.040(7) Sales of:*

*(a) Professional services and supplies by a person licensed or certified by the state as a doctor of medicine and surgery, a doctor of osteopathy and surgery, a chiropractor, a dentist, a naturopath, an optometrist, an audiologist, a hospital, a midwife, a birth center, an acupuncturist, an occupational therapist, a physical therapist, a certified nurse's aide, or a registered or practical nurse, provided that the sale is within the scope of the state license or certificate;*

*(b) Controlled substances supplied and services performed pursuant to a prescription from a person listed in subsection (7)(a) of this section.*

Taxable sales to medical professionals include, but are not limited to:

1. Disposable paper products, swabs, cotton, wipes, gloves, gowns, etc;
2. All medical equipment, laboratory equipment, tools, machinery, and replacement parts for same, installation charges and repair service, including x-ray film and chemicals.
3. Computer hardware, software, and printing equipment.
4. Office furniture, promotional materials, books, magazines, calendars, etc.
5. All packaging, packing materials and containers which are used for transporting samples or dispensing medicines.
6. Commercial rentals of office space.
7. Administrative costs such as legal fees, accounting services, phone charges, advertising, medical transcriptionist services, etc.
8. Janitorial supplies and service.