



Featuring:



HOT TUBS



Your Guide to the Texas Sales Tax Exemption

If you are seeking a Texas sales tax exemption, the proper paperwork must be in our files 5 days prior to your scheduled delivery date! You are responsible for full payment of the sales tax on your spa purchase if the 3 original documents are not provided to Big Star Backyards. NO EXCEPTIONS.

The Texas administrative code reads:

...The patient must provide to the seller of the hot tub, spa, or similar appliance with a prescription, an exemption certificate and a signed statement on letterhead from the licensed practitioner. See attached copy of this rule.

In order to qualify for Texas sales tax exemption You must provide the following items:

- Original Signed Statement on Doctor Letterhead
- Original Prescription from same Doctor
- Signed Exemption certificate

Please understand "The State of Texas Controller" set these rules – not Big Star Backyards. The following pages contain the medical Tax Exemptions allowed by the Controller along with examples of the documents required by Texas State Law.

The information provided in this packet is not legal or tax advice.



Texas Administrative Code

- TITLE 34. PUBLIC FINANCE
 - PART 1. COMPTROLLER OF PUBLIC ACCOUNTS
 - CHAPTER 3. TAX ADMINISTRATION
 - SUBCHAPTER O. STATE AND LOCAL SALES AND USE TAXES
 - SECTION 3.284. Drugs, Medicines, Medical Equipment, and Devices
(Tax Code §151.313)
-

(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Appliance or device--An instrument, apparatus, implement, machine, contrivance, implant, chemical, or other similar or related product that does not achieve its primary intended purposes through chemical action within or on the body, and that is not dependent upon being metabolized for the achievement of its primary intended purposes.

(2) Brace--Any appliance or device that is used on or attached to the human body, and that gives rigidity or support for the purpose of correcting a physical ailment or defect.

(3) Corrective lenses--Any appliance or device that is worn to correct or aid defective eyesight, such as eyeglasses, contact lenses, or other visual aids that an ophthalmologist or optometrist dispenses or prescribes.

(4) Dental device--An artificial replacement of one or more teeth or a dental appliance worn on the teeth to correct irregularities of growth or position. For the purposes of this section, the term dental device does not include toothbrushes, toothpaste, dental floss, mouth mirrors, or other devices used to prevent cavities or plaque build-up or removal.

(5) Dietary supplement--A product that:

- (A) contains one or more vitamins, minerals, herbs, amino acids, or substances to increase caloric intake;
- (B) is not represented as a food or the sole item of a meal or the diet; and
- (C) is labeled or is required to be labeled "dietary supplement" or "supplement."

(6) Drug or medicine--A product that:

- (A) is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, illness, injury, or pain;
- (B) is applied to the human body, or that humans ingest or inhale;
- (C) is not an appliance or device; and
- (D) is not food; or
- (E) is labeled with a drug facts panel in accordance with federal Food and Drug Administration regulations.

(7) Food--Material, usually of plant or animal origin, that contains or consists of essential nutrients and is intended for human ingestion:

- (A) for taste or aroma; or
- (B) to satisfy the appetite, hunger, or thirst.

(8) Hearing aid--Any appliance or device worn to correct or aid defective hearing. The term also includes an audio loop used by a person who is deaf.

(9) Hypodermic needle--A hollow needle adapted for use with hypodermic syringes.

(10) Hypodermic syringe--A small syringe with a hollow needle adapted for use in removing or injecting material beneath the skin.

(11) Ileostomy, colostomy, and ileal bladder appliance--An appliance or device that is surgically implanted or formed to assist the human body in the elimination of natural waste.

(12) Orthopedic appliance--Any appliance or device designed specifically for use in the correction or prevention of human deformities, defects, or chronic diseases of the skeleton, joints, or spine.

(13) Prosthetic device--An item that is artificial and replaces a missing part of the body, performs the function of a vital organ or appendage of the human body, or is permanently implanted in the body. Examples of prosthetic devices are heart-lung pumps, nasal gastric and gastrointestinal devices, ureteral stents, urethral stents, and artificial kidney machines, and related components and supplies.

(14) Therapeutic appliance or device--An appliance or device that is designed to alleviate pain or for use during the treatment or cure of human sickness, disease, suffering, or deformity.

(15) Wound care dressing--An item that absorbs wound drainage, protects healing tissue, maintains a moist or dry wound environment (as appropriate), or prevents bacterial contamination.

(b) Drugs and medicines.

(1) Insulin that is sold with or without a prescription is exempt.

(2) Sales or use tax is not due on the sale of drugs or medicines that are prescribed or dispensed for humans or animals on the oral or written prescription of licensed practitioners of the healing arts. Sales tax is due on the sale of all other nonprescription drugs and medicines, purchased for use in the treatment of animals, and the retailer must collect tax from the purchaser on such sales.

(3) Sales or use tax is not due on the sale of non-prescription drugs or medicines. A product is presumed to be a drug or medicine for sales tax purposes if it is labeled or required to be labeled with a "Drug Facts" panel pursuant to the regulations of the federal Food and Drug Administration.

(4) Sales or use tax is not due on the sale of wound care dressings.

(c) Dietary supplements. Sales or use tax is not due on the sale of dietary supplements.

(d) Medical equipment.

(1) Sales or use tax is not due on the sale, lease, or rental of medical equipment meeting the definition of a brace, corrective lens, hearing aid, orthopedic appliance, prosthetic device, or dental device. Sales tax is not due on replacement parts designed specifically for such devices and appliances. With the exception of corrective lenses, a prescription is not required.

(2) Sales or use tax is not due on the sale of ileostomy, colostomy, or ileal bladder appliances, related supplies or replacement parts that are designed specifically for such appliances.

(3) Sales or use tax is not due on the sale of hypodermic syringes and hypodermic needles used for medical purposes.

(4) Sales or use tax is not due on the sale of blood glucose monitoring strips.

(5) Sales or use tax is not due on the sale, lease, or rental of hospital beds or their replacement parts. A hospital bed is the type of bed used in a hospital for rest, recuperation, and treatment. A hospital bed does not include an operating table, delivery table, examination table, stretcher, or gurney. A prescription is not required.

(6) Sales or use tax is not due on the sale, lease, or rental of the following items when used by the deaf. An exemption certificate is not required for the purchase, rental, or lease of these items:

(A) hearing aids;

(B) specialized printing or signaling equipment that the deaf use for the purpose of enabling communication by ordinary telephone, including all materials, paper, and printing ribbons that are used in that equipment;

(C) an appliance or device, such as a light signal, that is used to adapt items such as telecommunication devices for the deaf (TDD), telephones, doorbells, and smoke alarms; and

(D) adaptive devices or adaptive software for computers that deaf persons use.

(7) Sales or use tax is not due on the sale, lease, or rental of the following items when used by the legally blind. An exemption certificate is not required for the purchase, rental, or lease of these items:

(A) a braille wristwatch, braillewriter, braille paper; and

(B) braille electronic equipment that connects to computer equipment, along with the necessary adaptive devices and computer software.

(8) Sales or use tax is not due on the sale, lease, or rental of the following items when used by the legally blind, if an exemption certificate is provided to the seller:

(A) a slate and stylus;

(B) print enlarger;

(C) light probe;

(D) magnifier;

(E) white cane;

(F) talking clock;

(G) hardware and software that are necessary to adapt a computer for a legally blind person to use; and

(H) harness for guide dog.

(9) Sales or use tax is not due on the sale, lease, or rental of intravenous systems (IV systems) used in the treatment of humans. The exemption includes related supplies and replacement parts. Examples of IV system components and supplies include access ports, adapters, bags and bottles, cannulae, cassettes, catheters, clamps, connectors, drip chambers, extension sets, filters, in-line ports, luer locks, needles, poles, pumps and

batteries, spikes, tubing, valves, and volumetric chambers. A purchaser must give an exemption certificate to the seller stating that the components and related supplies are for IV systems used in the treatment of humans.

(10) Sales or use tax is not due on the sale of eating utensils, such as spoons, forks, or knives that are designed to facilitate independent eating and purchased for use by an individual who cannot eat independently with conventional utensils because of injury, disease, physical or mental disability, or advanced age. A purchaser must give an exemption certificate to the seller to claim the exemption.

(11) Sales or use tax is not due on the sale, lease, or rental of therapeutic appliances, devices, and related supplies specifically designed for those products when sold, leased, or rented to individuals under a prescription of a licensed practitioner of the healing arts.

(A) An individual purchasing, leasing, or renting therapeutic appliances, devices, and related supplies under a prescription must either provide the seller a written prescription or allow the seller to receive the prescription directly from the licensed practitioner of the healing arts. The seller may exempt the sale, lease, or rental by keeping a copy of the individual's prescription in the seller's records. An exemption certificate from the purchaser is not required.

(B) A hot tub, spa, or similar appliance qualifies as a therapeutic appliance when prescribed for the purchaser by a licensed practitioner of the healing arts. The patient must provide the seller of the hot tub, spa, or similar appliance with a prescription, an exemption certificate, and a signed statement on letterhead from the licensed practitioner. The signed statement should specify the medical requirements for the hot tub, spa, or similar appliance.

(C) Health care providers, such as doctors, clinics, hospitals, nursing homes, or other institutions providing health care or medical services to individuals owe tax on therapeutic appliances, devices, and related supplies they use in providing nontaxable health care and medical services. Unless the health care provider qualifies as an exempt organization under Tax Code, §151.309 or §151.310, sales or use tax must be paid by the health care provider on the purchase, lease, or rental of all therapeutic appliances, devices, and related supplies.

Source Note: The provisions of this §3.284 adopted to be effective January 1, 1976; amended to be effective November 15, 1976, 1 TexReg 3099; amended to be effective July 5, 1978, 3 TexReg 2086; amended to be effective November 16, 1979, 4 TexReg 3985; amended to be effective November 18, 1981, 6 TexReg 4063; amended to be effective December 21, 1983, 8 TexReg 5038; amended to be effective December 6, 1991, 16 TexReg 6756; amended to be effective March 9, 1995, 20 TexReg 1337; amended to be effective March 12, 1996, 21 TexReg 1685; amended to be effective June 13, 2001, 26 TexReg 4213; amended to be effective November 21, 2004, 29 TexReg 10581





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Example of Note on Doctor Letterhead

August 1, 2017

RE: Jane Doe

To Whom it May Concern:

This letter is in regards to the above-named patient of mine, Mr. John Doe. For therapeutic purposes, I am prescribing a hot tub for home use.

If you have any questions, please contact my office.

Sincerely,

Dr. Jane Smith

Texas Sales and Use Tax Exemption Certification

This certificate does not require a number to be valid.

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: **BIG STAR BACKYARDS**

Street address: **8315 BURNET RD. SUITE A** City, State, ZIP code: **AUSTIN, TX 78757**

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

	Purchaser	Title	Date

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.
Do not send the completed certificate to the Comptroller of Public Accounts.**