

Tax and Licensing Division
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Tax Compliance Guide

Medical Exemptions

(2/2022)

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT AURORA TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE AURORA MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

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The *Aurora Municipal Code* provides an exemption from sales/use tax for prosthetic devices, prescription drugs, and menstrual care products. The code further exempts insulin and diabetic supplies and equipment.

Prescription Drugs

"Prescription drugs" means a drug which, prior to being dispensed or delivered, is required by the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended, to state at a minimum the symbol "Rx only," and is dispensed in accordance with any written or electronic order dated and signed by a licensed practitioner of the healing arts, or given orally by a practitioner and immediately reduced to writing by the pharmacist, assistant pharmacist, or pharmacy intern, specifying the name and any required information of the patient for whom the medicine, drug or poison is offered and directions, if any, to be placed on the label.

Prescription drugs, whether for humans or animals, are exempt from Aurora sales/use tax when dispensed as described above.

The code further exempts diabetic supplies and insulin in all forms, dispensed pursuant to the direction of a licensed practitioner of the healing arts. This includes glucose to be used for the treatment of insulin reactions, diabetic urine and blood testing kits and materials, and insulin measuring and injecting devices.

Prosthetic Devices

A "prosthetic device" for humans is any artificial limb, part, device or appliance for human use which:

1. Replaces a body part or aids or replaces a bodily function
2. Is designed, manufactured, altered or adjusted to fit a particular patient; and
3. Is prescribed by a licensed practitioner of the healing arts.

Such devices include, but are not limited to, prescribed auditory, ophthalmic, ocular, cardiac, dental, or orthopedic devices or appliances, or oxygen concentrators with related accessories.

Prosthetic devices are exempt from Aurora sales/use tax when dispensed pursuant to a written order of a licensed practitioner of the healing arts.

Therapeutic Devices

The *Aurora Municipal Code* defines "therapeutic devices" as "devices, appliances, or related accessories that correct or treat a human physical disability or surgically created abnormality." Such items may include, without limitation, elastic knee braces, water beds, hot tubs, and exercise bicycles. Therapeutic devices or equipment are not exempt, even when dispensed pursuant to a written order of a licensed practitioner of the healing arts.

Menstrual Care Products

The *Aurora Municipal Code* defines "menstrual care products" as tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for hygiene in connection with the human menstrual cycle. Menstrual care products are exempt from Aurora sales/use tax.

Other Medical Equipment and Supplies

The City of Aurora does not have a tax exemption related to durable medical equipment, mobility enhancing equipment, medical materials, and certain medical supplies that may be exempt at the State level. These items are not exempt from Aurora sales and use tax, even when dispensed pursuant to a written order of a licensed practitioner of the healing arts.

Examples

1. An Aurora resident visits an optometry clinic in Denver, and an eye exam reveals they will need prescription reading glasses. The patient orders eyeglasses from a popular website, and has the optometrist submit the prescription to the company for fulfillment. The glasses are then delivered to the patient's home in Aurora. Because the eyeglasses meet the definition of a "prosthetic device," they are exempt from Aurora sales tax.

2. A doctor at an outpatient surgical facility writes on a patient's chart that the patient is to receive a dosage of over-the-counter strength pain reliever which is not required to bear the symbol "RX Only." The drug is dispensed by the doctor's staff at the facility. A separate charge appears on the patient's billing for this drug. This charge is not exempt from sales tax because the medication is not a prescription drug.
3. A doctor at an outpatient surgical facility administers a dose of prescription pain reliever to a patient. This pain reliever is a controlled substance labeled "RX Only," and was filled by a pharmacist pursuant the doctor's order. A separate charge for this drug appears on the patient's billing. The charge is exempt from sales tax because the medication is a prescription drug and is administered by a licensed practitioner of the healing arts.

Related Topics

Medical/Dental Service Providers

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-156. Taxable Items
§ 130-157. Items Exempt From Taxation
§ 130-160. Responsibility for payment
§ 130-161. Schedule of Taxes
§ 130-196. Levy
§ 130-199. Use tax credit

Contact Us

For additional assistance, please contact us:

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