

SENATE, No. 3927

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 15, 2021

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Exempts medical alert devices and services from sales and use tax.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT exempting medical alert devices and services from the
2 sales and use tax, amending P.L.1980, c.105.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 13 of P.L.1980, c.105 (C.54:32B-8.1) is amended to
8 read as follows:

9 13. a. Receipts from sales of the following sold for human use
10 are exempt from the tax imposed under the "Sales and Use Tax
11 Act":

- 12 (1) drugs sold pursuant to a doctor's prescription;
- 13 (2) over-the-counter drugs;
- 14 (3) diabetic supplies;
- 15 (4) prosthetic devices;
- 16 (5) tampons or like products;
- 17 (6) medical oxygen;
- 18 (7) human blood and its derivatives;
- 19 (8) durable medical equipment for home use;
- 20 (9) mobility enhancing equipment sold by prescription; **[and]**
- 21 (10) medical alert devices and medical alert services; and
- 22 (11) repair and replacement parts for any of the foregoing
23 exempt devices and equipment.

24 b. As used in this section:

25 "Assistance operator" means a person who is authorized by a
26 subscriber of a medical alert service to:

- 27 (1) receive a signal from or communicate with the subscriber
28 when the subscriber uses a medical alert device; and
- 29 (2) contact one or more emergency responders, caregivers of the
30 subscriber, family members of the subscriber, or any combination
31 of these individuals, on the subscriber's behalf when the subscriber
32 uses a medical alert device.

33 "Drug" means a compound, substance, or preparation, and any
34 component of a compound, substance, or preparation, other than
35 food and food ingredients, dietary supplements, or alcoholic
36 beverages:

37 (1) recognized in the official United States Pharmacopoeia,
38 official Homeopathic Pharmacopoeia of the United States, or
39 official National Formulary, and supplement to any of them; or

40 (2) intended for use in the diagnosis, cure, mitigation, treatment,
41 or prevention of disease; or

42 (3) intended to affect the structure or any function of the body.

43 "Over-the-counter-drug" means a drug that contains a label
44 which identifies the product as a drug, required by 21 CFR 201.66.

45 The label includes:

- 46 (1) a "Drug Facts" panel or

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (2) a statement of the "active ingredient" or "active ingredients"
2 with a list of those ingredients contained in the compound,
3 substance or preparation. "Over-the-counter drug" does not include
4 a grooming and hygiene product.

5 "Grooming and hygiene product" is soap or cleaning solution,
6 shampoo, toothpaste, mouthwash, anti-perspirant, or sun tan lotion
7 or screen, regardless of whether the item meets the definition of
8 "over-the-counter drug."

9 "Prescription" means an order, formula, or recipe issued in any
10 form of oral, written, electronic, or other means of transmission by
11 a duly licensed practitioner authorized by the laws of this State.

12 "Prosthetic device" means a replacement, corrective, or
13 supportive device including repair and replacement parts for same
14 worn on or in the body in order to:

15 (1) artificially replace a missing portion of the body; or

16 (2) prevent or correct a physical disability; or

17 (3) support a weak or disabled portion of the body.

18 "Durable medical equipment" means equipment, including repair
19 and replacement parts, but not including mobility enhancing
20 equipment, that:

21 (1) can withstand repeated use;

22 (2) is primarily and customarily used to serve a medical
23 purpose;

24 (3) is generally not useful to a person in the absence of illness or
25 injury; and

26 (4) is not worn in or on the body.

27 "Medical alert device" means an electronic device that allows or
28 causes a subscriber of a medical alert service to send a signal to or
29 communicate with an assistance operator.

30 "Medical alert service" means a service that provides a
31 subscriber of the service with a medical alert device and access to
32 an assistance operator who is authorized by the subscriber to
33 contact one or more emergency responders, caregivers of the
34 subscriber, family members of the subscriber, or any combination
35 of these individuals, on the subscriber's behalf when the subscriber
36 uses a medical alert device.

37 "Mobility enhancing equipment" means equipment, including
38 repair and replacement parts, other than durable medical equipment,
39 that:

40 (1) is primarily and customarily used to provide or increase the
41 ability to move from one place to another and which is appropriate
42 for use either at home or in a motor vehicle; and

43 (2) is not generally used by persons with typical mobility; and

44 (3) does not include any motor vehicle or equipment on a motor
45 vehicle normally provided by a motor vehicle manufacturer.

46 c. Receipts from sales of supplies purchased for use in
47 providing medical services for compensation, but not transferred to
48 the purchaser of the service in conjunction with the performance of

1 the service, shall be considered taxable receipts from retail sales
2 notwithstanding the exemption from the tax imposed under the
3 "Sales and Use Tax Act" provided under this section.
4 (cf: P.L.2017, c.131, s.214)

5
6 2. This act shall take effect the first day of the second month
7 next following enactment.

8

9

10 STATEMENT

11

12 This bill exempts medical alert devices and services from sales
13 and use tax. As defined in the bill, "medical alert device" means an
14 electronic device that allows or causes a subscriber, meaning a
15 person with a subscription to a medical alert service, to send a
16 signal to or communicate with an assistance operator. "Medical
17 alert service" is defined as a service that provides a subscriber with
18 a medical alert device and access to an assistance operator who is
19 authorized by the subscriber to contact one or more medical alert
20 responders on the subscriber's behalf when the subscriber uses a
21 medical alert device. Exempting medical alert devices and services
22 from sales tax will help make these devices and services more
23 affordable and accessible to the elderly and other vulnerable
24 populations in New Jersey.