

SENATE BILL NO. 419—SENATOR HARDY

MARCH 20, 2017

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Exempts sales of certain durable medical equipment,  
oxygen delivery equipment and mobility enhancing  
equipment from sales and use taxes. (BDR 32-325)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; providing for an exemption from sales  
and use taxes for certain durable medical equipment,  
oxygen delivery equipment and mobility enhancing  
equipment; and providing other matters properly relating  
thereto.

**Legislative Counsel’s Digest:**

1 At the 2016 General Election, the voters of this State approved Initiative  
2 Petition No. 4, which proposes to amend the Nevada Constitution to require the  
3 Legislature to provide by law for an exemption from sales and use taxes for certain  
4 durable medical equipment, oxygen delivery equipment and mobility enhancing  
5 equipment. If the Initiative Petition is again approved by the voters at the 2018  
6 General Election, the Nevada Constitution will be amended to require the  
7 Legislature to provide by law for the exemption. This bill enacts an exemption from  
8 sales and use taxes for certain durable medical equipment, oxygen delivery  
9 equipment and mobility enhancing equipment, but will not become effective unless  
10 the Initiative Petition is approved by the voters at the 2018 General Election.

11 **Sections 9.3, 9.5 and 9.7** of this bill define the terms “durable medical  
12 equipment,” “mobility enhancing equipment” and “oxygen delivery equipment” for  
13 the purpose of the exemption. **Section 10** of this bill enacts the exemption for the  
14 sales and use taxes that are deposited into the State General Fund. **Section 11** of  
15 this bill amends the Local School Support Tax Law to provide an identical  
16 exemption. Any amendment to the Local School Support Tax Law also applies to  
17 other sales and use taxes imposed under existing law. (NRS 354.705, 374A.020,  
18 376A.060, 377.040, 377A.030, 377B.110 and 543.600 and various special and local  
19 acts) **Section 13** of this bill provides that all these exemptions become effective on  
20 December 1, 2018, but only if the voters approve the Initiative Petition at the  
21 General Election on November 6, 2018.



\* S B 4 1 9 R 1 \*

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** (Deleted by amendment.)

2     **Sec. 2.** (Deleted by amendment.)

3     **Sec. 3.** (Deleted by amendment.)

4     **Sec. 4.** (Deleted by amendment.)

5     **Sec. 5.** (Deleted by amendment.)

6     **Sec. 6.** (Deleted by amendment.)

7     **Sec. 7.** (Deleted by amendment.)

8     **Sec. 8.** (Deleted by amendment.)

9     **Sec. 9.** (Deleted by amendment.)

10    **Sec. 9.1.** Chapter 360B of NRS is hereby amended by adding  
11 thereto the provisions set forth as sections 9.3, 9.5 and 9.7 of this  
12 act.

13    **Sec. 9.3. 1. “Durable medical equipment” means**  
14 **equipment, including any repair and replacement parts therefor,**  
15 **which:**

16       **(a) Can withstand repeated use;**

17       **(b) Is primarily and customarily used to serve a medical**  
18 **purpose;**

19       **(c) Generally is not useful to a person in the absence of illness**  
20 **or injury; and**

21       **(d) Is not worn in or on the body.**

22    **2. The term includes, without limitation, abduction and**  
23 **orthotic pillows, anesthesia ventilators, bone growth stimulators,**  
24 **dialyzers and kidney dialysis machines.**

25    **Sec. 9.5. 1. “Mobility enhancing equipment” means**  
26 **equipment, including any repair and replacement parts therefor,**  
27 **which:**

28       **(a) Is primarily and customarily used to provide or increase**  
29 **the ability to move from one place to another and which is**  
30 **appropriate for use either in a home or a motor vehicle;**

31       **(b) Is not generally used by persons with normal mobility; and**

32       **(c) Does not include any motor vehicle or equipment on a**  
33 **motor vehicle normally provided by a manufacturer of motor**  
34 **vehicles.**

35    **2. The term includes, without limitation, mobility enhancing**  
36 **car seats for children with disabilities and swivel seats for persons**  
37 **with disabilities.**

38    **Sec. 9.7. “Oxygen delivery equipment” means equipment,**  
39 **including any repair and replacement parts therefor, which is used**  
40 **to deliver oxygen or aerosolized medicine to a person. The term**  
41 **includes, without limitation, tanks and concentrators, ventilators,**



1 *nebulizers, oral-nasal cannulas and continuous positive airway*  
2 *pressure (CPAP) machines.*

3 **Sec. 9.9.** NRS 360B.400 is hereby amended to read as follows:

4 360B.400 In administering the provisions of this chapter and  
5 chapters 372 and 374 of NRS, and in carrying out the provisions of  
6 the Agreement, the Department shall construe the terms defined in  
7 NRS 360B.405 to 360B.495, inclusive, *and sections 9.3, 9.5 and*  
8 *9.7 of this act*, unless the context otherwise requires, in the manner  
9 prescribed by those sections.

10 **Sec. 10.** Chapter 372 of NRS is hereby amended by adding  
11 thereto a new section to read as follows:

12 *There are hereby exempted from the taxes imposed by this*  
13 *chapter the gross receipts from sales of, and the storage, use or*  
14 *other consumption of:*

- 15 1. *Durable medical equipment;*
- 16 2. *Mobility enhancing equipment; and*
- 17 3. *Oxygen delivery equipment,*

18 *↪ prescribed for human use by a licensed provider of health care*  
19 *acting within his or her scope of practice.*

20 **Sec. 10.5.** NRS 372.195 is hereby amended to read as follows:

21 372.195 Every retailer maintaining a place of business in this  
22 State and making sales of tangible personal property for storage, use  
23 or other consumption in this State, not exempted under NRS  
24 372.260 to 372.350, inclusive, *and section 10 of this act*, shall, at  
25 the time of making the sales or, if the storage, use or other  
26 consumption of the tangible personal property is not then taxable  
27 hereunder, at the time the storage, use or other consumption  
28 becomes taxable, collect the tax from the purchaser and give to the  
29 purchaser a receipt therefor in the manner and form prescribed by  
30 the Tax Commission.

31 **Sec. 10.7.** NRS 372.260 is hereby amended to read as follows:

32 372.260 “Exempted from the taxes imposed by this chapter,”  
33 as used in NRS 372.260 to 372.350, inclusive, *and section 10 of*  
34 *this act*, means exempted from the computation of the amount of  
35 taxes imposed.

36 **Sec. 11.** Chapter 374 of NRS is hereby amended by adding  
37 thereto a new section to read as follows:

38 *There are hereby exempted from the taxes imposed by this*  
39 *chapter the gross receipts from sales of, and the storage, use or*  
40 *other consumption of:*

- 41 1. *Durable medical equipment;*
- 42 2. *Mobility enhancing equipment; and*
- 43 3. *Oxygen delivery equipment,*

44 *↪ prescribed for human use by a licensed provider of health care*  
45 *acting within his or her scope of practice.*



1       **Sec. 11.5.** NRS 374.200 is hereby amended to read as follows:  
2       374.200 Every retailer maintaining a place of business in a  
3 county and making sales of tangible personal property for storage,  
4 use or other consumption in the county, not exempted under NRS  
5 374.265 to 374.355, inclusive, *and section 11 of this act*, shall, at  
6 the time of making the sales or, if the storage, use or other  
7 consumption of the tangible personal property is not then taxable  
8 hereunder, at the time the storage, use or other consumption  
9 becomes taxable, collect the tax from the purchaser and give to the  
10 purchaser a receipt therefor in the manner and form prescribed by  
11 the Department.

12       **Sec. 11.7.** NRS 374.265 is hereby amended to read as follows:  
13       374.265 “Exempted from the taxes imposed by this chapter,”  
14 as used in NRS 374.265 to 374.355, inclusive, *and section 11 of*  
15 *this act*, means exempted from the computation of the amount of  
16 taxes imposed.

17       **Sec. 12.** (Deleted by amendment.)

18       **Sec. 13.** This act becomes effective on December 1, 2018,  
19 only if the initiative petition known as Initiative Petition No. 4,  
20 which was approved by the voters at the General Election on  
21 November 8, 2016, is approved by the voters at the General Election  
22 on November 6, 2018.

