
DENTISTS AND DENTAL LABORATORIES

The sale of a dental prosthetic appliance custom made by a dental laboratory when sold for the direct personal use of a specific individual in accordance with a written directive issued by a licensed practitioner of dentistry is exempt from sales/use tax.

Examples of “prosthetic devices” include such items as the use of inlays, crowns, replacement of lost teeth, bands, brackets, bridges, retainers and other band attachment, which aid in the dental bodily functions.

Purchase of supplies and materials that do not become constituent parts of a “prosthetic device” are taxable. Office and dental equipment, tools and instruments, materials or supplies (floss, cups, and mouthwash) or other supply type items are taxable.

Prescription drugs and anesthetics, including oxygen and nitrous oxide, purchased by a dental practice and administered in individual doses to patients in connection with the rendering of services, are exempt.

Laboratories that manufacture prosthetic dental appliances may purchase materials that become a physical component part of the appliance tax free for resale under the wholesale exemption. Materials and supplies used in the manufacturing process that do not become a component part of the prosthetic dental appliance do not meet the wholesale exemption and are taxable to the laboratory.

EXAMPLE

A dental practice purchases amalgam, latex gloves, toothbrushes, paper bibs, mouthwash, a tooth crown and a bridge fitted to a specific patient.

The amalgam, crown and bridge are purchased by the dental practice tax free. The crown and bridge are prosthetic dental appliances which are custom made for a specific individual, and the amalgam will be used to fill the patient’s cavities.

The other supplies purchased are taxable to the practice. The materials used to take the impressions for the crown and bridge is also taxable because they do not become a component part of the prosthetic dental appliance.

The laboratory purchases the materials to make the crown and bridge tax-free under the wholesale exemption. The supplies used by the laboratory in manufacturing the crown and bridge which are not physically present in the completed prosthetic dental appliance are taxable to the laboratory.

TAXABLE SALES

Many items are given away to patients by a dentist free of charge such as toothbrushes, floss, toys and stickers. These items are taxable to the dentist. However, some dentists are making taxable retail sales which are subject to sales tax. Sales tax should be charged when the following items are sold to the patient and the sales tax should be separately stated on the sales invoice or receipt. These items should be purchased for resale by the dentist. When the dentist resells the items to patients, sales tax should be collected and remitted to the proper taxing authorities.

Electric toothbrushes / replacement heads (such as Sonicare, and Braun)

TAXABLE PURCHASES

Burs, rotary grinding & polishing instruments
Cotton pellets, rolls, gauze, and sponges
Crown forms
Disposable impression trays
Disposable needles and paper points
Educational books, publications
Envelopes, files, stationary
Floss, toothbrushes, toothpaste, mouthwash
Fluoride paste and solutions / bleach
Germicides and sterilization solutions
Gloves, uniforms
Hand piece, contra angles & prophylaxis angles
Impression materials
Magazines
Paper goods, napkins, towels, cups, bibs, etc.
Plaster, gypsum & investments
Postcards, greeting cards
Sterilization pouches or bags
Surgical, operative, endodontic instruments
Surgical soaps and lotions
Syringes
Tooth polishing cups & brushes
Whitening kits
X-ray film, film mounts and related products

NON-TAXABLE PURCHASES

(See Definition for Prosthetic Devices and Medical Supplies)

Alloy, composite and other filling materials
Anesthetic (Lidocaine)
Anesthetic gases (nitrous oxide)
Cavity liners
Cements
Gold, platinum and silver
Denture relines and repair materials
Medicaments – substances used in therapy
Mercury
Novocain
Orthodontic appliances, ligatures
Pins, posts
Sutures
Teeth
Temporary cavity filling materials

ARVADA MUNICIPAL CODE – Chapter 98 - Taxation

Sec. 98-61 Definitions

Prescription drugs for humans means a drug which, prior to being dispensed or delivered, is required by the federal Food, Drug, and Cosmetic Act, 21 U.S.C. Sect. 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.

Prosthetic devices for humans means any artificial limb, part, device or appliance for human use which replaces a body part or aids or replaces a bodily function; is designed, manufactured, altered or adjusted to fit a particular patient; and is prescribed by a licensed practitioner of the healing arts. Prosthetic devices include but are not limited to prescribed auditory, ophthalmic or ocular, cardiac, dental, or orthopedic devices or appliances, and oxygen concentrators with related accessories.

Therapeutic device means devices, appliances, or related accessories that correct or treat a human physical disability or surgically created abnormality.

Sec. 98-70. - Exempt sales.

(9) Additional provisions of exemption from the tax under this article:

- l. All sales of medical supplies, which include, insulin in all its forms dispensed pursuant to the direction of a licensed physician; glucose useable for treatment of insulin reactions; urine and blood-testing kits and materials; insulin measuring and injecting devices, including hypodermic syringes and needles; prosthetic devices; wheelchairs and hospital beds; drugs or materials when furnished by a doctor as part of professional services provided to a patient.*
- m. All sales of prescription drugs for humans.*
- o. All sales of prosthetic devices for humans.*
- p. All sales of therapeutic devices if such a device, appliance or related accessory has a retail value of more than \$100.00 and is sold in accordance with a written recommendation from a licensed doctor.*

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT ARVADA TAX LAW FOR THIS SUBJECT, INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE ARVADA MUNICIPAL CODE. HOWEVER, THE TAX GUIDE SHALL BE USED IN CONJUNCTION WITH THE ARVADA MUNICIPAL CODE (CHAPTER 98) IN DETERMINING TAX LIABILITY.