

SENATE BILL NO. 334—SENATORS ROBERSON, KIECKHEFER,
BROWER, HARDY, GUSTAVSON; FARLEY, GOICOECHEA,
HARRIS AND LIPPARELLI

MARCH 16, 2015

Referred to Committee on Revenue and Economic Development

SUMMARY—Proposes to exempt sales of certain durable medical equipment, mobility-enhancing equipment, hearing aids, hearing aid accessories, and ophthalmic or ocular devices or appliances from sales and use taxes and analogous taxes. (BDR 32-262)

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 taxes on retail sales; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for certain durable medical equipment and mobility-enhancing equipment; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for hearing aids and hearing aid accessories; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for certain ophthalmic or ocular devices or appliances; providing for the exemptions from certain analogous taxes if the voters approve these amendments to the Sales and Use Tax Act of 1955; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 The Sales and Use Tax Act of 1955 (part of chapter 372 of NRS) was approved
- 2 by the voters by a referendum and therefore may not be amended, annulled,
- 3 repealed, set aside, suspended or in any way made inoperative except by the direct
- 4 vote of the people. (Nev. Const. Art. 19, § 1)



* S B 3 3 4 R 1 *

5 **Sections 2-9** of this bill require the submission of a question to the voters at the
6 2016 General Election of whether the Sales and Use Tax Act of 1955 should be
7 amended to provide an exemption for durable medical equipment and mobility-
8 enhancing equipment prescribed by a licensed provider of health care. **Section 26**
9 of this bill construes the terms used in the exemption. **Sections 28 and 31** of this
10 bill amend the Local School Support Tax Law (chapter 374 of NRS) to provide an
11 identical exemption. These tax exemptions become effective on January 1, 2017,
12 and expire by limitation on December 31, 2026, only if the voters approve the
13 amendment to the Sales and Use Tax Act of 1955 at the General Election in 2016.

14 **Sections 10-17** of this bill require the submission of a question to the voters at
15 the 2016 General Election of whether the Sales and Use Tax Act of 1955 should be
16 amended to provide an exemption for hearing aids and hearing aid accessories.
17 **Section 27** of this bill construes the terms used in the exemption. **Sections 29 and**
18 **32** of this bill amend the Local School Support Tax Law to provide an identical
19 exemption. These tax exemptions become effective on January 1, 2017, and expire
20 by limitation on December 31, 2026, only if the voters approve the amendment to
21 the Sales and Use Tax Act of 1955 at the General Election in 2016.

22 **Sections 18-25** of this bill require the submission of a question to the voters at
23 the 2016 General Election of whether the Sales and Use Tax Act of 1955 should be
24 amended to provide an exemption for ophthalmic or ocular devices or appliances
25 prescribed by a physician or optometrist. **Sections 30 and 33** of this bill amend the
26 Local School Support Tax Law to provide an identical exemption. These tax
27 exemptions become effective on January 1, 2017, and expire by limitation on
28 December 31, 2026, only if the voters approve the amendment to the Sales and Use
29 Tax Act of 1955 at the General Election in 2016.

30 Any amendment to the Local School Support Tax Law also applies to other
31 sales and use taxes imposed under existing law. (NRS 354.705, 374A.020,
32 376A.060, 377.040, 377A.030, 377B.110 and 543.600 and various special and local
33 acts)

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

1 **Section 1.** The Legislature hereby finds that each exemption
2 provided by this act from any excise tax on the sale, storage, use or
3 consumption of tangible personal property sold at retail:

4 1. Will achieve a bona fide social or economic purpose and that
5 the benefits of the exemption are expected to exceed any adverse
6 effect of the exemption on the provision of services to the public by
7 the State or a local government that would otherwise receive
8 revenue from the tax from which the exemption would be granted;
9 and

10 2. Will not impair adversely the ability of the State or a local
11 government to pay, when due, all interest and principal on any
12 outstanding bonds or any other obligations for which revenue from
13 the tax from which the exemption would be granted was pledged.

14 **Sec. 2.** At the General Election on November 8, 2016, a
15 proposal must be submitted to the registered voters of this State to
16 amend the Sales and Use Tax Act, which was enacted by the 47th



1 Session of the Legislature of the State of Nevada and approved by
2 the Governor in 1955, and subsequently approved by the people of
3 this State at the General Election held on November 6, 1956.

4 **Sec. 3.** At the time and in the manner provided by law, the
5 Secretary of State shall transmit the proposed act to the several
6 county clerks, and the county clerks shall cause it to be published
7 and posted as provided by law.

8 **Sec. 4.** The proclamation and notice to the voters given by the
9 county clerks pursuant to law must be in substantially the following
10 form:

11 Notice is hereby given that at the General Election on
12 November 8, 2016, a question will appear on the ballot for the
13 adoption or rejection by the registered voters of the State of the
14 following proposed act:

15 AN ACT to amend an Act entitled "An Act to provide
16 revenue for the State of Nevada; providing for sales
17 and use taxes; providing for the manner of collection;
18 defining certain terms; providing penalties for
19 violation, and other matters properly relating thereto."
20 approved March 29, 1955, as amended.

21
22 THE PEOPLE OF THE STATE OF NEVADA
23 DO ENACT AS FOLLOWS:
24

25 Section 1. Section 56.1 of the above-entitled Act, being
26 chapter 397, Statutes of Nevada 1955, as added by chapter
27 306, Statutes of Nevada 1969, at page 532, and amended by
28 chapter 627, Statutes of Nevada 1985, at page 2028, and
29 amended by chapter 404, Statutes of Nevada 1995, at page
30 1007, is hereby amended to read as follows:

31 Sec. 56.1. 1. There are exempted from the taxes
32 imposed by this act the gross receipts from sales and the
33 storage, use or other consumption of:

34 (a) Prosthetic devices, orthotic appliances and
35 ambulatory casts for human use, and other supports and
36 casts if prescribed or applied by a licensed provider of
37 health care, within his scope of practice, for human use.

38 (b) Appliances and supplies relating to an ostomy.

39 (c) Products for hemodialysis.

40 *(d) Durable medical equipment if prescribed by a*
41 *licensed provider of health care acting within his or her*
42 *scope of practice.*

43 ~~(d)~~ *(e) Canes, crutches, manual or motorized*
44 *wheelchairs or scooters that enhance the ability of a*
45 *person to move, and other mobility-enhancing equipment*



1 *if prescribed by a licensed provider of health care acting*
2 *within his or her scope of practice.*

3 (f) Medicines:

4 (1) Prescribed for the treatment of a human being
5 by a person authorized to prescribe medicines, and
6 dispensed on a prescription filled by a registered
7 pharmacist in accordance with law;

8 (2) Furnished by a licensed physician, dentist or
9 podiatric physician to his own patient for the treatment of
10 the patient;

11 (3) Furnished by a hospital for treatment of any
12 person pursuant to the order of a licensed physician,
13 dentist or podiatric physician; or

14 (4) Sold to a licensed physician, dentist, podiatric
15 physician or hospital for the treatment of a human being.

16 2. As used in this section:

17 (a) "Medicine" means any substance or preparation
18 intended for use by external or internal application to the
19 human body in the diagnosis, cure, mitigation, treatment
20 or prevention of disease or affliction of the human body
21 and which is commonly recognized as a substance or
22 preparation intended for such use. The term includes
23 splints, bandages, pads, compresses and dressings.

24 (b) "Medicine" does not include:

25 (1) Any auditory, ophthalmic or ocular device or
26 appliance.

27 (2) Articles which are in the nature of instruments,
28 crutches, canes, devices or other mechanical, electronic,
29 optical or physical equipment.

30 (3) Any alcoholic beverage, except where the
31 alcohol merely provides a solution in the ordinary
32 preparation of a medicine.

33 (4) Braces or supports, other than those prescribed
34 or applied by a licensed provider of health care, within his
35 scope of practice, for human use.

36 3. Insulin furnished by a registered pharmacist to a
37 person for treatment of diabetes as directed by a physician
38 shall be deemed to be dispensed on a prescription within
39 the meaning of this section.

40 Sec. 2. This act becomes effective on January 1, 2017,
41 and expires by limitation on December 31, 2026.

42 **Sec. 5.** The ballot page assemblies and the paper ballots to be
43 used in voting on the question must present the question in
44 substantially the following form:



* S B 3 3 4 R 1 *

1 Shall the Sales and Use Tax Act of 1955 be amended to
2 provide an exemption from the taxes imposed by this Act on
3 the gross receipts from the sale and the storage, use or other
4 consumption of durable medical equipment and mobility-
5 enhancing equipment prescribed by a licensed provider of
6 health care?

7 Yes No

8 **Sec. 6.** The explanation of the question which must appear on
9 each paper ballot and sample ballot and in every publication and
10 posting of notice of the question must be in substantially the
11 following form:

12
13 (Explanation of Question)

14 The proposed amendment to the Sales and Use Tax Act of
15 1955 would exempt from the taxes imposed by this Act the
16 gross receipts from the sale and storage, use or other
17 consumption of durable medical equipment and mobility-
18 enhancing equipment prescribed by a licensed provider of
19 health care. If this proposal is adopted, the Legislature has
20 provided that the Local School Support Tax Law and certain
21 analogous taxes on retail sales will be amended to provide the
22 same exemption.

23 **Sec. 7.** If a majority of the votes cast on the question is yes,
24 the amendment to the Sales and Use Tax Act of 1955 becomes
25 effective on January 1, 2017, and expires by limitation on
26 December 31, 2026. If less than a majority of votes cast on the
27 question is yes, the question fails and the amendment to the Sales
28 and Use Tax Act of 1955 does not become effective.

29 **Sec. 8.** All general election laws not inconsistent with this act
30 are applicable.

31 **Sec. 9.** Any informalities, omissions or defects in the content
32 or making of the publications, proclamations or notices provided for
33 in this act and by the general election laws under which this election
34 is held must be so construed as not to invalidate the adoption of the
35 act by a majority of the registered voters voting on the question if it
36 can be ascertained with reasonable certainty from the official returns
37 transmitted to the Office of the Secretary of State whether the
38 proposed amendment was adopted by a majority of those registered
39 voters.

40 **Sec. 10.** At the General Election on November 8, 2016, a
41 proposal must be submitted to the registered voters of this State to
42 amend the Sales and Use Tax Act, which was enacted by the 47th
43 Session of the Legislature of the State of Nevada and approved by
44 the Governor in 1955, and subsequently approved by the people of
45 this State at the General Election held on November 6, 1956.



1 **Sec. 11.** At the time and in the manner provided by law, the
2 Secretary of State shall transmit the proposed act to the several
3 county clerks, and the county clerks shall cause it to be published
4 and posted as provided by law.

5 **Sec. 12.** The proclamation and notice to the voters given by
6 the county clerks pursuant to law must be in substantially the
7 following form:

8 Notice is hereby given that at the General Election on
9 November 8, 2016, a question will appear on the ballot for the
10 adoption or rejection by the registered voters of the State of the
11 following proposed act:

12 AN ACT to amend an Act entitled "An Act to provide
13 revenue for the State of Nevada; providing for sales
14 and use taxes; providing for the manner of collection;
15 defining certain terms; providing penalties for
16 violation, and other matters properly relating thereto."
17 approved March 29, 1955, as amended.

18
19 THE PEOPLE OF THE STATE OF NEVADA
20 DO ENACT AS FOLLOWS:

21
22 Section 1. Section 56.1 of the above-entitled Act, being
23 chapter 397, Statutes of Nevada 1955, as added by chapter
24 306, Statutes of Nevada 1969, at page 532, and amended by
25 chapter 627, Statutes of Nevada 1985, at page 2028, and
26 amended by chapter 404, Statutes of Nevada 1995, at page
27 1007, is hereby amended to read as follows:

28 Sec. 56.1. 1. There are exempted from the taxes
29 imposed by this act the gross receipts from sales and the
30 storage, use or other consumption of:

31 (a) Prosthetic devices, orthotic appliances and
32 ambulatory casts for human use, and other supports and
33 casts if prescribed or applied by a licensed provider of
34 health care, within his scope of practice, for human use.

35 (b) Appliances and supplies relating to an ostomy.

36 (c) Products for hemodialysis.

37 (d) Medicines:

38 (1) Prescribed for the treatment of a human being
39 by a person authorized to prescribe medicines, and
40 dispensed on a prescription filled by a registered
41 pharmacist in accordance with law;

42 (2) Furnished by a licensed physician, dentist or
43 podiatric physician to his own patient for the treatment of
44 the patient;



1 (3) Furnished by a hospital for treatment of any
2 person pursuant to the order of a licensed physician,
3 dentist or podiatric physician; or

4 (4) Sold to a licensed physician, dentist, podiatric
5 physician or hospital for the treatment of a human being.

6 ***(e) Hearing aids and hearing aid accessories.***

7 2. As used in this section:

8 (a) "Medicine" means any substance or preparation
9 intended for use by external or internal application to the
10 human body in the diagnosis, cure, mitigation, treatment
11 and prevention of disease or affliction of the human body
12 and which is commonly recognized as a substance or
13 preparation intended for such use. The term includes
14 splints, bandages, pads, compresses and dressings.

15 (b) "Medicine" does not include:

16 (1) Any auditory, ophthalmic or ocular device or
17 appliance.

18 (2) Articles which are in the nature of instruments,
19 crutches, canes, devices or other mechanical, electronic,
20 optical or physical equipment.

21 (3) Any alcoholic beverage, except where the
22 alcohol merely provides a solution in the ordinary
23 preparation of a medicine.

24 (4) Braces or supports, other than those prescribed
25 or applied by a licensed provider of health care, within his
26 scope of practice, for human use.

27 3. Insulin furnished by a registered pharmacist to a
28 person for treatment of diabetes as directed by a physician
29 shall be deemed to be dispensed on a prescription within
30 the meaning of this section.

31 Sec. 2. This act becomes effective on January 1, 2017,
32 and expires by limitation on December 31, 2026.

33 **Sec. 13.** The ballot page assemblies and the paper ballots to be
34 used in voting on the question must present the question in
35 substantially the following form:

36 Shall the Sales and Use Tax Act of 1955 be amended to
37 provide an exemption from the taxes imposed by this Act on
38 the gross receipts from the sale and the storage, use or other
39 consumption of hearing aids and hearing aid accessories?

40 Yes No

41 **Sec. 14.** The explanation of the question which must appear on
42 each paper ballot and sample ballot and in every publication and
43 posting of notice of the question must be in substantially the
44 following form:



* S B 3 3 4 R 1 *

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by this Act the gross receipts from the sale and storage, use or other consumption of hearing aids and hearing aid accessories. If this proposal is adopted, the Legislature has provided that the Local School Support Tax Law and certain analogous taxes on retail sales will be amended to provide the same exemption.

Sec. 15. If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2017, and expires by limitation on December 31, 2026. If less than a majority of votes cast on the question is yes, the question fails and the amendment to the Sales and Use Tax Act of 1955 does not become effective.

Sec. 16. All general election laws not inconsistent with this act are applicable.

Sec. 17. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the Office of the Secretary of State whether the proposed amendment was adopted by a majority of those registered voters.

Sec. 18. At the General Election on November 8, 2016, a proposal must be submitted to the registered voters of this State to amend the Sales and Use Tax Act, which was enacted by the 47th Session of the Legislature of the State of Nevada and approved by the Governor in 1955, and subsequently approved by the people of this State at the General Election held on November 6, 1956.

Sec. 19. At the time and in the manner provided by law, the Secretary of State shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 20. The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the General Election on November 8, 2016, a question will appear on the ballot for the adoption or rejection by the registered voters of the State of the following proposed act:



1 AN ACT to amend an Act entitled "An Act to provide
2 revenue for the State of Nevada; providing for sales
3 and use taxes; providing for the manner of collection;
4 defining certain terms; providing penalties for
5 violation, and other matters properly relating thereto."
6 approved March 29, 1955, as amended.
7

8 THE PEOPLE OF THE STATE OF NEVADA
9 DO ENACT AS FOLLOWS:
10

11 Section 1. Section 15 of the above-entitled Act, being
12 chapter 397, Statutes of Nevada 1955, at page 765, is hereby
13 amended to read as follows:

14 Sec. 15. 1. "Retailer" includes:

15 (a) Every seller who makes any retail sale or sales of
16 tangible personal property, and every person engaged in
17 the business of making retail sales at auction of tangible
18 personal property owned by the person or others.

19 (b) Every person engaged in the business of making
20 sales for storage, use or other consumption or in the
21 business of making sales at auction of tangible personal
22 property owned by the person or others for storage, use or
23 other consumption.

24 (c) Every person making more than two retail sales of
25 tangible personal property during any 12-month period,
26 including sales made in the capacity of assignee for the
27 benefit of creditors, or receiver or trustee in bankruptcy.

28 2. When the Tax Commission determines that it is
29 necessary for the efficient administration of this chapter to
30 regard any salesmen, representatives, peddlers or
31 canvassers as the agents of the dealers, distributors,
32 supervisors or employers under whom they operate or
33 from whom they obtain the tangible personal property sold
34 by them, irrespective of whether they are making sales on
35 their own behalf or on behalf of such dealers, distributors,
36 supervisors or employers, the Tax Commission may so
37 regard them and may regard the dealers, distributors,
38 supervisors or employers as retailers for purposes of this
39 chapter.

40 ~~3. A licensed optometrist or physician and surgeon~~
41 ~~is a consumer of, and shall not be considered, a retailer~~
42 ~~within the provisions of this chapter, with respect to the~~
43 ~~ophthalmic materials used or furnished by him in the~~
44 ~~performance of his professional services in the diagnosis,~~
45 ~~treatment or correction of conditions of the human eye;~~



1 ~~including the adaptation of lenses or frames for the aid~~
2 ~~thereof.]~~

3 Sec. 2. Section 56.1 of the above-entitled Act, being
4 chapter 397, Statutes of Nevada 1955, as added by chapter
5 306, Statutes of Nevada 1969, at page 532, and amended by
6 chapter 627, Statutes of Nevada 1985, at page 2028, and
7 amended by chapter 404, Statutes of Nevada 1995, at page
8 1007, is hereby amended to read as follows:

9 Sec. 56.1. 1. There are exempted from the taxes
10 imposed by this act the gross receipts from sales and the
11 storage, use or other consumption of:

12 (a) Prosthetic devices, orthotic appliances and
13 ambulatory casts for human use, and other supports and
14 casts if prescribed or applied by a licensed provider of
15 health care, within his scope of practice, for human use.

16 (b) Appliances and supplies relating to an ostomy.

17 (c) Products for hemodialysis.

18 (d) *Any ophthalmic or ocular device or appliance*
19 *prescribed by a physician or optometrist.*

20 (e) Medicines:

21 (1) Prescribed for the treatment of a human being
22 by a person authorized to prescribe medicines, and
23 dispensed on a prescription filled by a registered
24 pharmacist in accordance with law;

25 (2) Furnished by a licensed physician, dentist or
26 podiatric physician to his own patient for the treatment of
27 the patient;

28 (3) Furnished by a hospital for treatment of any
29 person pursuant to the order of a licensed physician,
30 dentist or podiatric physician; or

31 (4) Sold to a licensed physician, dentist, podiatric
32 physician or hospital for the treatment of a human being.

33 2. As used in this section:

34 (a) "Medicine" means any substance or preparation
35 intended for use by external or internal application to the
36 human body in the diagnosis, cure, mitigation, treatment
37 or prevention of disease or affliction of the human body
38 and which is commonly recognized as a substance or
39 preparation intended for such use. The term includes
40 splints, bandages, pads, compresses and dressings.

41 (b) "Medicine" does not include:

42 (1) Any auditory, ophthalmic or ocular device or
43 appliance.



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1 (2) Articles which are in the nature of instruments,
2 crutches, canes, devices or other mechanical, electronic,
3 optical or physical equipment.

4 (3) Any alcoholic beverage, except where the
5 alcohol merely provides a solution in the ordinary
6 preparation of a medicine.

7 (4) Braces or supports, other than those prescribed
8 or applied by a licensed provider of health care, within his
9 scope of practice, for human use.

10 3. Insulin furnished by a registered pharmacist to a
11 person for treatment of diabetes as directed by a physician
12 shall be deemed to be dispensed on a prescription within
13 the meaning of this section.

14 Sec. 3. This act becomes effective on January 1, 2017,
15 and expires by limitation on December 31, 2026.

16 **Sec. 21.** The ballot page assemblies and the paper ballots to be
17 used in voting on the question must present the question in
18 substantially the following form:

19 Shall the Sales and Use Tax Act of 1955 be amended to
20 provide an exemption from the taxes imposed by this Act on
21 the gross receipts from the sale and the storage, use or other
22 consumption of ophthalmic or ocular devices or appliances
23 prescribed by a physician or optometrist?

24 Yes No

25 **Sec. 22.** The explanation of the question which must appear on
26 each paper ballot and sample ballot and in every publication and
27 posting of notice of the question must be in substantially the
28 following form:

29
30 (Explanation of Question)

31 The proposed amendment to the Sales and Use Tax Act of
32 1955 would exempt from the taxes imposed by this Act the
33 gross receipts from the sale and storage, use or other
34 consumption of ophthalmic or ocular devices or appliances
35 prescribed by a physician or optometrist. If this proposal is
36 adopted, the Legislature has provided that the Local School
37 Support Tax Law and certain analogous taxes on retail sales
38 will be amended to provide the same exemption.

39 **Sec. 23.** If a majority of the votes cast on the question is yes,
40 the amendment to the Sales and Use Tax Act of 1955 becomes
41 effective on January 1, 2017, and expires by limitation on
42 December 31, 2026. If less than a majority of votes cast on the
43 question is yes, the question fails and the amendment to the Sales
44 and Use Tax Act of 1955 does not become effective.



1 **Sec. 24.** All general election laws not inconsistent with this act
2 are applicable.

3 **Sec. 25.** Any informalities, omissions or defects in the content
4 or making of the publications, proclamations or notices provided for
5 in this act and by the general election laws under which this election
6 is held must be so construed as not to invalidate the adoption of the
7 act by a majority of the registered voters voting on the question if it
8 can be ascertained with reasonable certainty from the official returns
9 transmitted to the Office of the Secretary of State whether the
10 proposed amendment was adopted by a majority of those registered
11 voters.

12 **Sec. 26.** Chapter 372 of NRS is hereby amended by adding
13 thereto a new section to read as follows:

14 *In administering the provisions of section 56.1 of chapter 397,*
15 *Statutes of Nevada 1955, which is included in NRS as NRS*
16 *372.283, the Department shall construe the term:*

17 1. *“Durable medical equipment” to mean equipment,*
18 *including any repair and replacement parts therefor and*
19 *components or attachments used in conjunction therewith, which:*

20 (a) *Can withstand repeated use;*

21 (b) *Is primarily and customarily used to serve a medical*
22 *purpose;*

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

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

26 2. *“Mobility-enhancing equipment” to mean equipment,*
27 *including any repair and replacement parts therefor, 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 **Sec. 27.** Chapter 372 of NRS is hereby amended by adding
36 thereto a new section to read as follows:

37 *In administering the provisions of section 56.1 of chapter 397,*
38 *Statutes of Nevada 1955, which is included in NRS as NRS*
39 *372.283, the Department shall construe the term:*

40 1. *“Hearing aid” to:*

41 (a) *Mean:*

42 (1) *An instrument or device with an electronic component*
43 *designed to improve human hearing, which is worn in or affixed*
44 *behind the ear;*



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1 (2) *A device that is surgically implanted into the cochlea to*
2 *improve human hearing; or*

3 (3) *A device for the amplification of a telephone which is*
4 *designed for use by a person; and*

5 (b) *Exclude:*

6 (1) *Any instrument or device designed to be worn on any*
7 *part of the body other than in or on the ear; and*

8 (2) *Any device or system designed to be used*
9 *simultaneously by more than one person.*

10 2. *“Hearing aid accessory” to:*

11 (a) *Mean a component of or an attachment or accessory for a*
12 *hearing aid, including any neck loop, cord, mold, tubing, ear hook*
13 *and remote control for a hearing aid; and*

14 (b) *Exclude any battery for a hearing aid and any accessory*
15 *designed to be used only with an item that does not constitute a*
16 *hearing aid.*

17 **Sec. 28.** Chapter 374 of NRS is hereby amended by adding
18 thereto a new section to read as follows:

19 *In administering the provisions of NRS 374.287, the*
20 *Department shall construe the term:*

21 1. *“Durable medical equipment” to mean equipment,*
22 *including any repair and replacement parts therefor and*
23 *components or attachments used in conjunction therewith, which:*

24 (a) *Can withstand repeated use;*

25 (b) *Is primarily and customarily used to serve a medical*
26 *purpose;*

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

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

30 2. *“Mobility-enhancing equipment” to mean equipment,*
31 *including any repair and replacement parts therefor, which:*

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

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

36 (c) *Does not include any motor vehicle or equipment on a*
37 *motor vehicle normally provided by a manufacturer of motor*
38 *vehicles.*

39 **Sec. 29.** Chapter 374 of NRS is hereby amended by adding
40 thereto a new section to read as follows:

41 *In administering the provisions of NRS 374.287, the*
42 *Department shall construe the term:*

43 1. *“Hearing aid” to:*

44 (a) *Mean:*



1 (1) *An instrument or device with an electronic component*
2 *designed to improve human hearing, which is worn in or affixed*
3 *behind the ear;*

4 (2) *A device that is surgically implanted into the cochlea to*
5 *improve human hearing; or*

6 (3) *A device for the amplification of a telephone which is*
7 *designed for use by a person; and*

8 (b) *Exclude:*

9 (1) *Any instrument or device designed to be worn on any*
10 *part of the body other than in or on the ear; and*

11 (2) *Any device or system designed to be used*
12 *simultaneously by more than one person.*

13 2. *“Hearing aid accessory” to:*

14 (a) *Mean a component of or an attachment or accessory for a*
15 *hearing aid, including any neck loop, cord, mold, tubing, ear hook*
16 *and remote control for a hearing aid; and*

17 (b) *Exclude any battery for a hearing aid and any accessory*
18 *designed to be used only with an item that does not constitute a*
19 *hearing aid.*

20 **Sec. 30.** NRS 374.060 is hereby amended to read as follows:

21 374.060 1. “Retailer” includes:

22 (a) Every seller who makes any retail sale or sales of tangible
23 personal property, and every person engaged in the business of
24 making retail sales at auction of tangible personal property owned
25 by the person or others.

26 (b) Every person engaged in the business of making sales for
27 storage, use or other consumption or in the business of making sales
28 at auction of tangible personal property owned by the person or
29 others for storage, use or other consumption.

30 (c) Every person making more than two retail sales of tangible
31 personal property during any 12-month period, including sales made
32 in the capacity of assignee for the benefit of creditors, or receiver or
33 trustee in bankruptcy.

34 2. When the Department determines that it is necessary for the
35 efficient administration of this chapter to regard any salespersons,
36 representatives, peddlers or canvassers as the agents of the dealers,
37 distributors, supervisors or employers under whom they operate or
38 from whom they obtain the tangible personal property sold by them,
39 irrespective of whether they are making sales on their own behalf or
40 on behalf of such dealers, distributors, supervisors or employers, the
41 Department may so regard them and may regard the dealers,
42 distributors, supervisors or employers as retailers for purposes of
43 this chapter.

44 ~~[3. A licensed optometrist or physician is a consumer of, and~~
45 ~~shall not be considered, a retailer within the provisions of this~~



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~~chapter, with respect to the ophthalmic materials used or furnished by him or her in the performance of his or her professional services in the diagnosis, treatment or correction of conditions of the human eye, including the adaptation of lenses or frames for the aid thereof.]~~

Sec. 31. NRS 374.287 is hereby amended to read as follows:

374.287 1. There are exempted from the taxes imposed by this chapter the gross receipts from sales and the storage, use or other consumption of:

(a) Prosthetic devices, orthotic appliances and ambulatory casts for human use, and other supports and casts if prescribed or applied by a licensed provider of health care, within his or her scope of practice, for human use.

(b) Appliances and supplies relating to an ostomy.

(c) Products for hemodialysis.

(d) Durable medical equipment if prescribed by a licensed provider of health care acting within his or her scope of practice.

~~(d)~~ *(e) Canes, crutches, manual or motorized wheelchairs or scooters that enhance the ability of a person to move, and other mobility-enhancing equipment if prescribed by a licensed provider of health care acting within his or her scope of practice.*

(f) Medicines:

(1) Prescribed for the treatment of a human being by a person authorized to prescribe medicines, and dispensed on a prescription filled by a registered pharmacist in accordance with law;

(2) Furnished by a licensed physician, dentist or podiatric physician to his or her own patient for the treatment of the patient;

(3) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, dentist or podiatric physician; or

(4) Sold to a licensed physician, dentist, podiatric physician or hospital for the treatment of a human being.

2. As used in this section:

(a) "Medicine" means any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease or affliction of the human body and which is commonly recognized as a substance or preparation intended for such use. The term includes splints, bandages, pads, compresses and dressings.

(b) "Medicine" does not include:

(1) Any auditory, ophthalmic or ocular device or appliance.

(2) Articles which are in the nature of instruments, crutches, canes, devices or other mechanical, electronic, optical or physical equipment.

(3) Any alcoholic beverage, except where the alcohol merely provides a solution in the ordinary preparation of a medicine.



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1 (4) Braces or supports, other than those prescribed or applied
2 by a licensed provider of health care, within his or her scope of
3 practice, for human use.

4 3. Insulin furnished by a registered pharmacist to a person for
5 treatment of diabetes as directed by a physician shall be deemed to
6 be dispensed on a prescription within the meaning of this section.

7 **Sec. 32.** NRS 374.287 is hereby amended to read as follows:

8 374.287 1. There are exempted from the taxes imposed by
9 this chapter the gross receipts from sales and the storage, use or
10 other consumption of:

11 (a) Prosthetic devices, orthotic appliances and ambulatory casts
12 for human use, and other supports and casts if prescribed or applied
13 by a licensed provider of health care, within his or her scope of
14 practice, for human use.

15 (b) Appliances and supplies relating to an ostomy.

16 (c) Products for hemodialysis.

17 (d) Medicines:

18 (1) Prescribed for the treatment of a human being by a person
19 authorized to prescribe medicines, and dispensed on a prescription
20 filled by a registered pharmacist in accordance with law;

21 (2) Furnished by a licensed physician, dentist or podiatric
22 physician to his or her own patient for the treatment of the patient;

23 (3) Furnished by a hospital for treatment of any person
24 pursuant to the order of a licensed physician, dentist or podiatric
25 physician; or

26 (4) Sold to a licensed physician, dentist, podiatric physician
27 or hospital for the treatment of a human being.

28 *(e) Hearing aids and hearing aid accessories.*

29 2. As used in this section:

30 (a) "Medicine" means any substance or preparation intended for
31 use by external or internal application to the human body in the
32 diagnosis, cure, mitigation, treatment or prevention of disease or
33 affliction of the human body and which is commonly recognized as
34 a substance or preparation intended for such use. The term includes
35 splints, bandages, pads, compresses and dressings.

36 (b) "Medicine" does not include:

37 (1) Any auditory, ophthalmic or ocular device or appliance.

38 (2) Articles which are in the nature of instruments, crutches,
39 canes, devices or other mechanical, electronic, optical or physical
40 equipment.

41 (3) Any alcoholic beverage, except where the alcohol merely
42 provides a solution in the ordinary preparation of a medicine.

43 (4) Braces or supports other than those prescribed or applied
44 by a licensed provider of health care, within his or her scope of
45 practice, for human use.



1 3. Insulin furnished by a registered pharmacist to a person for
2 treatment of diabetes as directed by a physician shall be deemed to
3 be dispensed on a prescription within the meaning of this section.

4 **Sec. 33.** NRS 374.287 is hereby amended to read as follows:

5 374.287 1. There are exempted from the taxes imposed by
6 this chapter the gross receipts from sales and the storage, use or
7 other consumption of:

8 (a) Prosthetic devices, orthotic appliances and ambulatory casts
9 for human use, and other supports and casts if prescribed or applied
10 by a licensed provider of health care, within his or her scope of
11 practice, for human use.

12 (b) Appliances and supplies relating to an ostomy.

13 (c) Products for hemodialysis.

14 (d) *Any ophthalmic or ocular device or appliance prescribed*
15 *by a physician or optometrist.*

16 (e) Medicines:

17 (1) Prescribed for the treatment of a human being by a person
18 authorized to prescribe medicines, and dispensed on a prescription
19 filled by a registered pharmacist in accordance with law;

20 (2) Furnished by a licensed physician, dentist or podiatric
21 physician to his or her own patient for the treatment of the patient;

22 (3) Furnished by a hospital for treatment of any person
23 pursuant to the order of a licensed physician, dentist or podiatric
24 physician; or

25 (4) Sold to a licensed physician, dentist, podiatric physician
26 or hospital for the treatment of a human being.

27 2. As used in this section:

28 (a) "Medicine" means any substance or preparation intended for
29 use by external or internal application to the human body in the
30 diagnosis, cure, mitigation, treatment or prevention of disease or
31 affliction of the human body and which is commonly recognized as
32 a substance or preparation intended for such use. The term includes
33 splints, bandages, pads, compresses and dressings.

34 (b) "Medicine" does not include:

35 (1) Any auditory, ophthalmic or ocular device or appliance.

36 (2) Articles which are in the nature of instruments, crutches,
37 canes, devices or other mechanical, electronic, optical or physical
38 equipment.

39 (3) Any alcoholic beverage, except where the alcohol merely
40 provides a solution in the ordinary preparation of a medicine.

41 (4) Braces or supports, other than those prescribed or applied
42 by a licensed provider of health care, within his or her scope of
43 practice, for human use.



1 3. Insulin furnished by a registered pharmacist to a person for
2 treatment of diabetes as directed by a physician shall be deemed to
3 be dispensed on a prescription within the meaning of this section.

4 **Sec. 34.** 1. This section and sections 1 to 25, inclusive, of
5 this act become effective on October 1, 2015.

6 2. Sections 26, 28 and 31 of this act become effective on
7 January 1, 2017, and expire by limitation on December 31, 2026,
8 only if the proposal submitted pursuant to sections 2 to 9, inclusive,
9 of this act is approved by the voters at the General Election on
10 November 8, 2016.

11 3. Sections 27, 29 and 32 of this act become effective on
12 January 1, 2017, and expire by limitation on December 31, 2026,
13 only if the proposal submitted pursuant to sections 10 to 17,
14 inclusive, of this act is approved by the voters at the General
15 Election on November 8, 2016.

16 4. Sections 30 and 33 of this act become effective on
17 January 1, 2017, and expire by limitation on December 31, 2026,
18 only if the proposal submitted pursuant to sections 18 to 25,
19 inclusive, of this act is approved by the voters at the General
20 Election on November 8, 2016.



