

# STATE OF COLORADO

DEPARTMENT OF REVENUE  
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John W. Hickenlooper  
Governor

Barbara J. Brohl  
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GIL-14-012

April 28, 2014

XXXXXXXXXXXXXXXXXX  
Attn: XXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

Re: Infusion Pumps

Dear XXXXXXXXXXXXX,

You submitted on behalf of XXXXXXXXXXXXXXX ("Company") a request for guidance on the applicability of sales or use tax on infusion pumps.

The Department issues general information letters and private letter rulings. A general information letter provides a general overview of the relevant tax issues and is not binding on the Department. A private letter ruling provides a specific determination for a specific set of facts, is binding on the Department but not on the taxpayer, and requires payment of a fee. For more information about general information letters and private letter rulings, please see Department Rule 24-35-103.5 at [www.colorado.gov/revenue/tax](http://www.colorado.gov/revenue/tax) > Tax Library > Rulings.

The Department initially treats your request as one of a general information letter. If you would like the Department to issue a private letter ruling on the issues you raise, you can resubmit a request and fee in compliance with Department Rule 24-35-103.5. It is important to remember that general information letters, such as this one, are general discussions of tax law and are not a determination of the tax consequence of any particular action or inaction.

## Issue

Is the sale of an infusion pump subject to Colorado sales tax?

## Background

Company is engaged in the sale of infusion pumps for post-operative pain management for patients at home. The infusion pump is provided to the patient as part of the provision of the surgeon's professional services and is disposed of by the patient at their home after the pain therapy has run its course.

## Discussion

Colorado levies sales and use tax on the sale, use, storage, or consumption of tangible personal property in Colorado.<sup>1</sup> However, Colorado exempts a variety of medical products. There are two exemptions that appear to apply to infusion pumps. One such exemption applies to "all sales of medical, feeding, and disposable supplies, including any related accessories, for incontinence, infusion, enteral nutrition, ostomy, urology, diabetic care, and wound care dispensed pursuant to a prescription."<sup>2</sup> An infusion pump that administers medications through infusion is exempt from Colorado sales and use tax if prescribed by a licensed provider.<sup>3</sup>

The second exemption applies to material furnished to the patient as part of the licensed provider's professional services.<sup>4</sup> This exemption does not require a prescription but the material must be furnished by the licensed provider and leave the licensed provider's office with the patient, and the material must be primarily used by the patient and not the provider.

Colorado law also exempts durable medical equipment, but this exemption does not apply if the patient wears the equipment, as appears to be the case for the infusion pump.

## Miscellaneous

This letter represents the good faith opinion of Department personnel who are knowledgeable on state taxes issues. However, the Department does not make a specific determination here on any of the issues raised and the Department is not bound by this general information letter.

The Department administers state and state-administered local sales and use taxes. This letter does not address sales and use taxes administered by home-rule cities and home-rule counties. You may wish to consult with local governments which administer their own sales or use taxes about the applicability of those taxes. Visit our web site at [www.colorado.gov/revenue/tax](http://www.colorado.gov/revenue/tax) for more information about state and local sales taxes.

Enclosed is a redacted version of this letter. Pursuant to statute and regulation, this redacted letter will be made public within 60 days of the date of this letter. Please let me know in writing within that 60 day period whether you have any suggestions or concerns about this redacted letter.

Sincerely,

Neil L. Tillquist  
Colorado Department of Revenue  
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Email: [neil.tillquist@state.co.us](mailto:neil.tillquist@state.co.us)

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<sup>1</sup> §§39-26-104(1) and 202, C.R.S. You can view statutes on the Department's Web site at [www.colorado.gov/revenue/tax](http://www.colorado.gov/revenue/tax) > Tax Library > Statutes.

<sup>2</sup> §39-26-717(1)(h), C.R.S.

<sup>3</sup> §39-26-717(1)(h), C.R.S. and Department publication FYI Sales 68, which explicitly lists infusion pumps as exempt from sales and use tax. To view this and other publications on the Department's Web site, visit [www.colorado.gov/revenue/tax](http://www.colorado.gov/revenue/tax) > Tax Library > FYI Publications > Sales > Sales 68.

<sup>4</sup> §39-26-717(1)(k), C.R.S.