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State of South Carolina  
**Department of Revenue**  
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

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SC PRIVATE LETTER RULING #95-6 (TAX)

TO: XYZ

SUBJECT: Blood Glucose Meters  
(Sales and Use Taxes)

DATE: June 27, 1995

REFERENCE: S. C. Code Ann. Section 12-36-2120 (Supp. 1993)  
Commission Decision #90-39

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 1993)  
SC Revenue Procedure #94-1

SCOPE: A Private Letter Ruling is an **official advisory opinion** issued by the Department of Revenue to a specific person.

NOTE: A Private Letter Ruling may only be relied upon by the person to whom it is issued and only for the transaction or transactions to which it relates. A Private Letter Ruling has no precedential value.

Question:

Are blood glucose meters (glucometers) exempt from sales and use taxes under Code Section 12-36-2120(28)?

Conclusion:

Blood glucose meters (glucometers) are exempt from sales and use taxes under Code Section 12-36-2120(28) when sold to diabetics under the authorization and direction of a physician.

Facts:

Diabetics must routinely monitor their blood sugar levels. This can be done in several ways. Two of the oldest ways of testing blood sugar involve placing either a drop of urine or blood on a testing strip and comparing the strip color to a color coded chart.

Another testing method involves placing a drop of blood on a chemically treated strip. The strip is put into a machine, known as a glucometer, and a numeric blood sugar reading is displayed.

Advice has been requested on whether the glucometers are exempt from sales and use tax. The glucometers are commonly sold at drug stores and medical equipment suppliers. The meters may be purchased with or without a physician's prescription.

Discussion:

In accordance with Code Section 12-36-910(A):

A sales tax, equal to five percent of the gross proceeds of sales, is imposed upon every person engaged or continuing within this State in the business of selling tangible personal property at retail.

In accordance with Code Section 12-36-1310(A):

A use tax is imposed on the storage, use, or other consumption in this State of tangible personal property purchased at retail for storage, use, or other consumption in this State, at the rate of five percent of the sales price of the property, regardless of whether the retailer is or is not engaged in business in this State.

An exemption from sales and use taxes is provided in Code Section 12-36-2120(28) for certain items sold to a diabetic. This section exempts from the sales and use taxes:

medicine and prosthetic devices sold by prescription; **hypodermic needles, insulin, alcohol swabs, and blood sugar testing strips sold to diabetics under the authorization and direction of a physician;** and dental prosthetic devices. (Emphasis added.)

The applicability of this exemption was reviewed in Commission Decision #90-39 wherein the taxation of monolet lancets and dextrometer supplies used by diabetics to draw blood and check the sugar was reviewed. This decision concluded that "[i]n this instance, the legislative intent is to exempt those items used by diabetics for various purposes. Since monolet lancets and dextrometer supplies are new technological developments used for such purposes, we believe they should be included in Section [12-36-2120(28)'s] exemption".

Based upon the above analysis, blood glucose meters sold under the authorization and direction of a physician qualify for the sales and use tax exemption provided under Code Section 12-36-2120(28).