

Nev. to vote on tax break for wheelchairs, oxygen

By Michelle Rindels, AP

Oxygen tanks, hospital beds, feeding pumps, crutches and other durable medical equipment could be exempt from the Nevada sales tax if voters approve a measure on the ballot in November.

Here are things to know about Question 4:

How does it work?

If the measure passes this year and again in 2018, it will amend the Nevada Constitution and require lawmakers to pass a law exempting durable medical equipment from the state's 6.85 percent sales and use tax. A "yes" vote supports the exemption; a "no" vote opposes it.

Why now?

Proponents tried to get the exemption passed in the Legislature last year. The bill also waived taxes on hearing aids, glasses and contacts and would have cost the state \$25 million in tax revenue over 10 years, according to Legislative Counsel Bureau estimates.

The state Senate passed the measure, but it didn't get a vote in the Assembly.

The ballot measure is narrower and excludes hearing and vision aids. Officials estimated in 2015 that Nevada would forgo about \$3.7 million in tax revenue over a decade if durable medical equipment were exempted. But in an official analysis in August, they said they could not determine the financial effect of Question 4's passage.

A political action committee called the Alliance to Stop Taxes on the Sick and Dying gathered enough signatures to qualify the measure for this year's ballot. The group is backed by Bennett Medical Services, which sells the equipment that would get the exemption.

What are the pros?

Supporters say sales tax on the equipment is unnecessary and revoking it would have minimal effect on the budget. The tax applies to wheelchairs, infant sleep apnea monitors and oxygen delivery equipment – items used by people in their last weeks of life or need the equipment to live.

Insured patients are feeling the sales tax indirectly through increased copays and deductibles, while residents without insurance must pay the tax out of pocket and could forgo equipment their doctor prescribed because of the cost.

The exemption would apply to equipment including oxygen tanks and concentrators, which can cost \$639 to \$3,325 before taxes, according to an analysis of popular medical sales websites by Nevada's nonpartisan Guinn Center for Policy Priorities. Wheelchairs cost between \$114 and \$8,800, while hospital beds can cost anywhere from \$585 to \$13,500.

Nevada already exempts medicine and prosthetics from the sales tax. Supporters of Question 4 say the ballot measure would bring Nevada in line with many other states that exempt the equipment from sales taxes.

The Guinn Center lists 23 other states with tax exemptions for medical equipment and notes that about 7 percent of Nevada's population uses such products and would benefit from the tax break.

What are the cons?

Opponents argue the proposal is just another giveaway to a

special interest group and say taxpayers are footing the bill. They say sales tax from the medical equipment is funding public services including police, firefighters and public schools and cutting away more revenue will force lawmakers to raise taxes elsewhere.

They also are concerned that the definition of "exempted medical equipment" is vague and up to the Legislature. The lack of clarity makes it hard to tell how much the exemption would cost the state, opponents say.

"On the surface, this exemption seems like a good thing, providing tax relief to those in need," the official opposition argument says. "However, this exemption is really a wolf in sheep's clothing."