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STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

IP 2007(10)

INFORMATIONAL PUBLICATION

Sales and Use Tax Exemptions for Prescription and Nonprescription Drugs and Medicines and Health-Related Products

Purpose: This Informational Publication describes the sales and use tax exemptions for certain nonprescription drugs and medicines, prescription drugs and medicines, smoking cessation products, and health-related products and equipment. This Informational Publication also clarifies that appetite suppressants are exempt from tax as dietary supplements.

Effective Date: Effective upon issuance.

Statutory and Regulatory Authority: Conn. Gen. Stat. §12-412(4); Conn. Gen. Stat. §12-412(19); Conn. Gen. Stat. §12-412(38); Conn. Gen. Stat. §12-412(48); Conn. Gen. Stat. §12-412(53); Conn. Gen. Stat. §12-412(54); Conn. Gen. Stat. §12-412(80); Conn. Gen. Stat. §12-412(111); Conn. Agencies Regs. §12-426-13; and Conn. Agencies Regs. §12-426-14.

Exempt Nonprescription Drugs and Medicines: The following nonprescription drugs and medicines may be purchased under Conn. Gen. Stat. §12-412(48). These nonprescription drugs or medicines may be purchased for internal or external use.

- Analgesics;
- Anesthetics;
- Antacids;
- Anthelmintics;
- Antibiotic, antibacterial, antiviral, and antifungal medicines;
- Antidiarrheal medicines;
- Antihistamines;
- Antiseptics;
- Astringents;
- Cough, cold, asthma, or allergy medicines;
- Dietary supplements;
- Emetics and antiemetics;

- Eye, ear, or nose medications;
 - Laxatives;
 - Natural or herbal drugs or medicines;
 - Steroidal medicines; **and**
 - Vitamin or mineral concentrates
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Definitions of Categories of Exempt Drugs and Medicines: Brief definitions and descriptions of each category of nonprescription drugs and medicines listed in or exempted by Conn. Gen. Stat. §12-412(48) follow.

Analgesics

Drugs and medicines intended to reduce or eliminate pain, fever, or inflammation; includes aspirin and other salicylates, acetaminophen, ibuprofen, and naproxen.

Anesthetics

Drugs and medicines intended to deaden or cause insensitivity to pain; includes benzocaine and lidocaine.

Antacids

Products intended to prevent, neutralize, or reduce stomach acid and to prevent or reduce gas, nausea, and bloating.

Anthelmintics

Drugs or medicines intended to expel or destroy worms, such as roundworms and tapeworms.

Antibiotic, Antibacterial, Antiviral, and Antifungal Medicines

Drugs and medicines intended to destroy or inhibit the growth of bacteria, viruses, fungi (including yeasts), and other microorganisms.

Antidiarrheal Medicines

Products intended to relieve diarrhea.

Antihistamines

Products containing antihistamines (or histamine blockers) intended to be taken for a variety of symptoms and conditions, including allergies and allergic reactions, coughs, colds, insomnia, insect bites, itching, drowsiness, nausea, and motion sickness.

Antiseptics

Products intended to clean wounds or sores and destroy or inhibit the growth of microorganisms; includes rubbing alcohol, hydrogen peroxide, and iodine.

Astringents

Products intended to draw together or constrict tissue; includes alum, witch hazel, and zinc oxide.

Cough, Cold, Asthma, or Allergy Medicines

Products intended to be taken for relief from coughs, colds, influenza, asthma, or allergies, such as products containing analgesics, antihistamines, cough suppressants and expectorants, individually or in combination with one another. These products are usually intended to eliminate or reduce associated symptoms such as fever, chills, pain, coughing, sore throat, wheezing, nasal congestion, dryness, headache, insomnia, or drowsiness.

Dietary Supplements

Products specifically designed and marketed as nutritional supplements or dietary enhancements.

Dietary supplements generally include specific vitamins, minerals, protein, carbohydrates, fiber, or other nutritional substances.

Dietary supplements are usually sold as food items (such as nutritional food bars, drinks, or drink mixes), appetite suppressants, diet and weight loss products, fat burning products, weight gain products, health food products, bodybuilding or strength enhancing products, or as drugs and medicines. This definition applies to human use and does not apply to animal use.

Dietary supplements for animals are exempt only if they are specifically designed and marketed as dietary supplements in the form of vitamins, minerals, tonics, and other nutritional substances to be given to an animal, in addition to, rather than instead of, its regular food. Food for animals, including specially formulated food, is taxable. See **Policy Statement 2001(9)**, *Sales and Use Taxes on Sales and Purchases Made by Veterinarians*.

Emetics and Antiemetics

Products intended to induce or prevent vomiting.

Eye, Ear, or Nose Medications

Products intended to be used in or on the eyes, ears, or nose.

Laxatives

Products intended to stimulate evacuation of the bowels, including stool softeners and enemas.

Natural or Herbal Drugs or Medicines

All types of drugs, medicines, vitamins, minerals, and dietary supplements derived or made from natural, herbal, or vegetable sources or substances.

Steroidal Medicines

Products containing steroids intended for the relief of pain, inflammation, itching, and other symptoms; includes hydrocortisone.

Vitamin or Mineral Concentrates

Vitamin or mineral preparations, such as multivitamins, multivitamins plus minerals, individual vitamins, individual minerals, or any combination thereof, for internal or external use.

List of Common Exempt Items: Many of the nonprescription drugs and medicines listed in Conn. Gen. Stat. §12-412(48) are readily identifiable based on the definitions above. However, some products contain as active ingredients more than one category of drug or medicine, or are not easy to identify based solely on their names.

The following nonprescription products usually consist of or contain drugs and medicines listed in Conn. Gen. Stat. §12-412(48) as their active ingredients and are therefore exempt. This list is not all-inclusive. Refer to the definitions of categories of exempt drugs and medicines above and the lists of taxable items below.

- Acne creams, lotions, and pads with benzoyl peroxide;
- Allergy pills and creams;
- Aloe vera gel;
- Alum;
- Antacid pills, chewable tablets, and liquids;
- Anti-itch creams and sprays;
- Arthritis creams and rubs;
- Astringent skin cleansers, lotions, and pads;
- Athlete's foot medicines;
- Bandages medicated with antiseptics or antibiotics;

- Boric acid;
- Burn sprays, creams, and ointments;
- Calamine lotion;
- Canker sore medicines;
- Cold and flu medicines;
- Cold sore medicines;
- Contact lens cleaning and disinfecting solutions;
- Cough drops and lozenges;
- Diaper rash creams with zinc oxide;
- Diarrhea medicines;
- Diet and weight loss products;
- Ear drops;
- Ear wax removal products;
- Echinacea;
- Eczema creams;
- Enemas;
- Epsom salt;
- Eye drops;
- Eye washes;
- Fever reducing medicines;
- Foot creams, soaks, sprays, and powders (except foot deodorants);
- Garlic pills;
- Gas relief or prevention medicines;
- Ginkgo biloba;
- Ginseng;
- Hemorrhoidal ointments, suppositories, and swabs;
- Hydrocortisone creams;
- Hydrogen peroxide;
- Insect bite creams and sprays;
- Iodine;
- Ipecac syrup;
- Laxatives and cathartics;
- Lip balms;
- Medicated chest rubs;
- Medicated douches;
- Menopause symptom products;
- Menstrual or premenstrual symptom products;
- Menthol gel;
- Milk of magnesia;
- Nasal sprays and drops;
- Nutritional food drinks, powders, and bars (see *Dietary Supplements* above);
- Pain relievers;
- Pediatric electrolyte and fluid replacement products;
- Poison ivy creams and sprays;
- Psoriasis creams;
- Rubbing alcohol and alcohol swabs;
- Saline solution for contact lenses;
- Skin creams with zinc oxide;
- Sleep aids;
- Sore throat sprays;
- Sports creams;
- St. John's wort;
- Stool softeners;
- Styptic pencils;
- Sunburn sprays, creams, and ointments;
- Talcum powder medicated with zinc oxide or menthol;
- Teething and tooth pain medicines;
- Urinary pain relief products;
- Vitamin and mineral tablets, capsules, and creams;
- Wart, corn, and bunion removal medicines with salicylic acid;
- Witch hazel;
- Yeast infection medicines; **and**
- Zinc oxide creams.

Taxable Items Specifically Excluded From the Exemption: Conn. Gen. Stat. §12-412(48) specifically excludes several categories of items from the exemption. The following categories of items are taxable even if they contain drugs or medicines:

- Cosmetics;
- Dentifrices, such as toothpaste, tooth powder, dental floss, denture cream, and denture cleaner;
- Deodorants, such as underarm, foot, and feminine;
- Hair care products, such as shampoo, conditioner, hairspray, and dandruff remedies;
- Mouthwash;
- Shaving products, such as shaving cream, aftershave lotion, and depilatories; **and**
- Soaps, such as skin, body, facial, and foot.

Products marketed as items in these categories remain subject to sales and use taxes. For example, mouthwashes are not exempt even though they contain antiseptics such as alcohol or hydrogen peroxide or are labeled antiseptic. Likewise, medicated cosmetics, medicated toothpaste, medicated aftershave

lotion or shaving cream, medicated soap, medicated shampoo and dandruff treatments, and medicated deodorants are **not** exempt regardless of how they are labeled.

Other Taxable Items Not Included in the Exemption:

The following nonprescription items are **not** exempt under Conn. Gen. Stat. 12-412(48) because they do not contain one of the categories of exempt drugs and medicines among their active ingredients. This list is not all-inclusive.

- Bandages and wound dressings (unless medicated with antiseptics or antibiotics);
- Caffeine products for drowsiness;
- Contraceptive products;
- Cotton swabs;
- Diuretics;
- Hair growing products with minoxidil;
- Hair removal products;
- Lice treatment products;
- Lubricating jelly;
- Mineral oil;
- Moisturizers;
- Petroleum jelly;
- Sanitary napkins and tampons;
- Skin, hand, face, and body creams and lotions (unless medicated with zinc oxide or benzoyl peroxide);
- Suntan lotion, sunscreens, and sunblocks; **and**
- Talcum and baby powder (unless medicated with zinc oxide or menthol).

Exempt Prescription Drugs and Medicines:

Prescription drugs and medicines are exempt from sales and use taxes under Conn. Gen. Stat. §12-412(4). Medicine sold only by prescription, as defined by federal or Connecticut law, is exempt from tax. The medicine must be labeled with either:

- The Federal Legend required by 21 U.S.C. §353(b) (“Caution: Federal Law prohibits dispensing without prescription.”); **or**
- The Veterinary Label by 21 U.S.C. §353(f) (“Caution: Federal Law restricts this drug to use by or on the order of a licensed veterinarian.”).

Under Conn. Agencies Regs. §12-426-13, the medicine must be prescribed by a person authorized by Connecticut law to issue prescriptions.

Syringes and needles sold only by prescription are exempt from sales and use taxes.

Prescription drugs and medicines used by physicians, dentists, and veterinarians in their professions are exempt from sales and use taxes.

Free samples of prescription drugs and medicines are exempt from sales and use taxes.

For more information concerning the prescription drugs and medicines exemption, see Conn. Agencies Regs. §12-426-13.

Other Health-Related Products Including Repair or Replacement Parts and Repair Services Rendered to the following Items:

Conn. Gen. Stat. §12-412(19) provides an exemption for the following items and repair services and repair or replacement parts for these items.

- Apnea monitors;
- Artificial devices individually designed, constructed, or altered solely for the use of a particular handicapped person to become a brace, support, supplement, correction, or substitute for the bodily structure;
- Artificial hearing aids when designed to be worn on the person of the owner or user;
- Artificial limbs, artificial eyes, and other equipment worn as a correction or substitute for any functioning portion of the body;
- Blood or blood plasma when sold for medical use in humans and animals;
- Canes;
- Closed circuit television equipment used as a reading aid by persons who are visually impaired;
- Crutches;
- Custom made wigs or hairpieces for persons with medically diagnosed total and permanent hair loss as a result of disease or the treatment of disease;
- Hearing aid batteries and transistors;
- Nonprescription reading glasses;
- Prescription eyeglasses;
- Support hose specially designed to aid in the circulation of blood and purchased by a person who has a medical need for the hose;
- Stairway chairlifts for the use of invalids and handicapped persons;
- Vital life support equipment, including oxygen supply equipment used for humans or animals,

kidney dialysis machines, and any other device used in necessary support of vital life functions;

- Walkers; and
- Wheel chairs.

For more information, see Conn. Agencies Regs. §12-426-14.

Additional Exemptions for Certain Health and Well-Being Related Items:

Conn. Gen. Stat. §12-412(38) exempts sales of any equipment designed exclusively for use by persons who are deaf or blind for purposes of communication by telephone.

Conn. Gen. Stat. §12-412(53) exempts sales of certain disposable pads prepared for use in the manner of a diaper or as an underpad and commonly used by persons who are incontinent.

Conn. Gen. Stat. §12-412(54) exempts sales of test strips and tablets, lancets, and glucose monitoring equipment for purposes of certain tests and monitoring required in the care of diabetes and the repair and replacement parts for the equipment.

Conn. Gen. Stat. §12-412(80) exempts sales of special equipment installed in a motor vehicle for the exclusive use of a person with physical disabilities and repair or replacement parts for the equipment.

Smoking Cessation Products: Conn. Gen. Stat. §12-412(111) provides an exemption for specially formulated gum, inhalants, or similar products (including patches and tablets) designed to aid in the cessation of a smoking habit.

Effect on Other Documents: Informational Publication 2007(10) modifies and supersedes **Special Notice 2001(3)**, *Sales and Use Tax Exemptions for Nonprescription Drugs and Medicines and Smoking Cessation Products*.

Effect of This Document: An Informational Publication issued by the Department of Revenue Services (DRS) addresses frequently asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford area only); or
- **860-297-5962** (from anywhere)

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- **Internet:** Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms; or
 - **Telephone:** Call 1-800-382-9463 (Connecticut calls outside the Greater Hartford area only) or 860-297-4753 (from anywhere) and select Option 2 from a touch-tone phone.
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