

Midwest Association for Medical Equipment Services & Supplies

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**LETTER OF SUPPORT FOR SF268  
TO EXEMPT DURABLE MEDICAL GOODS FROM SALES AND USE TAX  
JANUARY 21, 2025**

The Midwest Association for Medical Equipment Services & Supplies (MAMES) represents durable medical equipment (DME) and supply providers throughout Minnesota and 7 other states in the Midwest. MAMES members provide home medical equipment, medical supplies, and services critical to caring for Minnesota's most vulnerable citizens – of all ages – throughout their lives.

Our equipment, supplies and services are delivered to individuals residing in their own homes, or other residential settings; and are critical and necessary elements in keeping our citizens with chronic conditions, healthy and safe, in their communities, and out of more expensive and less desirable institutional settings.

Over the years, MAMES has worked with the Minnesota Legislature to simplify and clarify how sales taxes are applied to DME and medical supplies. For instance, in 2013, tax law was changed to make clear that DME and supplies that are covered by Medicare and Medicaid are exempt from Minnesota sales tax. This includes private insurance companies when they are administering Medicare, such as under a Medicare Advantage Plan. Since that time, MAMES members have been working to apply this exemption to DME and medical supplies that are covered by all other health insurance payors, because these payors do not pay sales tax when reimbursing providers for these products.

SF268 is language that would add an exemption for DME and medical supplies that are covered by all public and private health plans. This is an extremely important addition that will protect DME providers from costly, arbitrary, and unnecessary sales tax collection efforts, including attempts to collect sales tax from providers which they are unable to collect from insurance payors. Critically, it was made clear in a 2022 hearing on the bill by Sen. Rest and Senate tax counsel that passing the bill would not put Minnesota out of compliance with SSUTA.

MAMES understands the Fiscal Note proposed in previous legislation we believe was wildly inflated as it reflects the amount initially requested by the Department of Revenue (DOR) in its tax audits, rather than the final amount collected in the tax audits. DME providers are routinely presented with inflated sales tax bills from sales state tax auditors. These initial bills are inevitably whittled down to a fraction of the initial amount demanded, but only after DME providers have been forced to spend countless hours of staff time and other resources educating state tax auditors about the DME business and the life sustaining products they supply. In addition, in a recent Freedom of Information request, we learned that DME taxes are not tracked separately.

**ASK:** *MAMES supports the introduction of SF268 to exempt durable medical goods from sales and use tax to not only protect DME providers, but also to save the DOR money from engaging in expensive and often fruitless sales tax audits of DME providers.*

Respectfully,

*Rose Schafhauser*

Rose Schafhauser  
MAMES Executive Director

*Tom Jamison*

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Chair, MAMES MN Legislative Committee