



HEALTHCARE PRACTITIONERS

Examinations and procedures provided by health practitioners and their employees in their office(s) are considered services. Fees collected for such services are not subject to the City of Centennial sales tax. The sale of prescription drugs and prosthetic devices, as such terms are defined in the City Code, are also not subject to sales tax.

However, if the practitioner sells tangible personal property in addition to providing patient services, those sales are subject to Centennial sales tax and the practitioner must obtain a retail sales tax license and collect and remit the 2.5% sales tax to the City. Examples of items that are considered taxable include, but are not limited to:

- Specialized Toothbrushes
- Bleaching Kits/Trays
- Dental Hygiene Products
- Additional/Post Service Bleaching Treatments*
(gels, pastes, trays)
- Vitamins/Herbal/Nutritional Supplements
- Chiropractic Pillows/Massage Instruments
- Massage Oils/Body Oils/Lotions
- Books/Magazines/Video Tapes/DVD's

*Although the bleaching treatments may be “prescription strength”, they do not meet the City’s exemption definition of a drug or prescription and are thus subject to the City’s sales tax.

Some items (such as dental floss, tooth brushes and gel packs) are *given* away as part of a professional service and no tax is due because there is no purchase price. However, the practitioner must pay the City of Centennial sales tax when purchasing such items.

Examples:

1. A chiropractor sells vitamins, nutritional supplements, and specialized pillows in addition to offering professional services. The practitioner must obtain a Centennial sales tax license and must separately list these items on the invoice, collect and remit Centennial sales tax on the purchase price of those items. If these items are not separately stated on the invoice, the entire amount of the invoice is subject to sales tax.

2. A dentist offers specialized, or electric, toothbrushes, non-prescription toothpaste, bleaching trays and gels available for purchase. A patient comes to have an in-office bleaching procedure but wants to purchase additional gel for whitening maintenance and an electric toothbrush before leaving the office. The dentist must obtain a Centennial sales tax license, separately state these items on the invoice in addition to the cost of professional service fees, and collect sales tax on the items. If not separately stated, the entire amount of the invoice is subject to sales tax.

ORDINANCE CITATIONS RELATED TO DISCUSSION

CMC 2008-0-29 sec 4-1-30(53) Prescription; CMC 2008-0-29 sec 4-1-30(56) Prosthetic Device; CMC 2008-0-29 sec 4-1-260(22) Drugs and Medical and Therapeutic Device Exemption

THE ABOVE INFORMATION IS A SUMMARY IN LAYMEN’S TERMS OF THE RELEVANT CENTENNIAL TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE CENTENNIAL SALES AND USE TAX ORDINANCE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

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