

# State of Rhode Island - Division of Taxation

## Sales and Use Tax

### Regulation SU 00-60

#### Medicines, Drugs and Proprietary Medicines

Under the Rhode Island sales tax law, sales of the following are exempt:

1. Medicines and drugs which are sold on a doctor's prescription.
2. Proprietary medicines popularly called patent medicines.
3. Disposable or reuseable devices, such as syringe infusers and ambulatory drug delivery pumps, and supplies used in connection therewith, which are sold on prescription to individuals to be used by them to dispense or administer prescription drugs.

Proprietary medicine is defined to mean any packaged medicine which is put up for consumption by the public for the purpose of diagnosis, cure, mitigation or prevention of a disease or for use in the treatment of an ailment. The package is labeled with the name of the medicine, carries adequate directions for its consumption or use, and indicates the name and address of the manufacturer and/or distributor.

Such proprietary or patent medicines are not limited to those which are taken internally, but also include those which are applied externally, provided they otherwise qualify under the above definition and explanation.

Examples of the various types of medicinal products which fall within the classification of exempt proprietary or patent medicines are:

- Analgesics, whether used externally or internally; cough medicines (but not cough drops); tonics and alternatives; antacids, packaged medicated eye preparations, including contact lens cleaning and wetting solutions; remedies for treatment of burns; laxatives and cathartics; and antiseptics for oral or other purposes.
- Although not a medicine or a drug, hypo syringes and needles are also exempt. Also exempt is medicated soap or other preparations for treatment of skin diseases.

The following categories are examples of items which are not regarded as proprietary or patent medicines, and therefore are subject to the tax:

1. Cosmetics and toilet articles including but not limited to items such as deodorants, beauty preparations, facial and hand creams and lotions, feminine hygiene items, shampoo oils, soaps, teeth cleaning preparations, so-called suntan preparations.
2. Vitamins sold as dietary supplements or adjuncts. These usually come in tablet, capsule or pill forms. However, the tax will not apply when sold on a doctor's prescription.

3. First aid medical supplies such as adhesive tape, plasters, and bandages, including those medicinally treated, cotton, gauze, ice bags, syringes, water bottles and similar supplies.
4. Household disinfectants and insecticides whether in liquid, spray, paste or other form.
5. Reducing products and supplements are subject to tax. However, products that replace an entire meal are considered food products and are therefore exempt.

CROSS REFERENCE: Foot Comfort Products.

R. GARY CLARK  
TAX ADMINISTRATOR  
EFFECTIVE: January 1, 2000

THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 94-60  
PROMULGATED JANUARY 1, 1994.