

Letter Ruling

— DEPARTMENT OF —
REVENUE
STATE OF MISSISSIPPI



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Date: December 13, 2024

Letter ID: L0245229856



MISSISSIPPI OPTOMETRIC ASSOCIATION INCORPORATED
141 EXECUTIVE DR STE 5
MADISON MS 39110-8457



Reference: Sales Tax Inquiry
Letter Ruling Number: 24-0540

This is in response to your letter dated November 04, 2024, requesting that the Mississippi Department of Revenue provide a ruling regarding a sales tax inquiry. Your request has been assigned the letter ruling number listed above. Please use this number in any further correspondence with the DOR concerning this request.

As we understand, the Mississippi Optometric Association would like to request a letter ruling on the following questions:

Inquiry 1

When a patient buys prescription eye glasses or contacts, are they required to pay sales tax?

Response 1

Prescription glasses, prescription sunglasses and prescription contact lenses are exempt from Mississippi sales and use tax. Valid prescriptions from licensed eye care professionals are required when making exempt retail sales of prescription eye wear. Sales of non-prescription eye wear such as non-prescription sunglasses and reading glasses are not exempt from Mississippi sales tax.

Inquiry 2

When an optometrist buys eyeglass frames, eyeglass lenses, or contact lenses, with the sole purpose of re-selling them to patients who will need the prescription vision correction, is the optometrist exempt from paying sales/use tax to their supplier?

Response 2

Pursuant to Miss. Code Ann. Section 27-65-111(ad), the sale of durable medical equipment and home medical supplies, which consist of eyeglass frames, eyeglass lenses, and contact lenses, when purchased for medical purposes of a patient is exempt from sales tax. Accordingly, the optometrist is exempt from paying sales/use tax to their supplier.

Inquiry 3

When an optometrist buys eyeglass lenses, and has the equipment to grind/shape the lenses to fit the frames (instead of sending them out to a lab), are they required to pay sales/use tax on the lenses?

Response 3

P.O. Box 1033, Jackson, MS 39215 Phone: (601) 923-7700 Fax: (601) 923-7714

Form # mL0004 v. V10

Visit www.dor.ms.gov for tax information and online filing. If you call, please have this letter with you.

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The optometrist is not required to pay sales/use tax on the lenses used to make prescription eye glasses.

Inquiry 4

When an optometrist buys trial pairs of contact lenses (for patients to use before ordering full boxes of contact lenses), are they required to pay sales/use tax on the trial pairs?

Response 4

Pursuant to Miss. Code Ann. Section 27-65-111(ad), the sale of durable medical equipment and home medical supplies, which consist of trial pairs of contact lenses, when purchased to be used by patients before ordering a full box of contact lenses is exempt from sales tax. Accordingly, the optometrist is not required to pay sales/use tax on the trial pairs of contact lenses.

Inquiry 5

When an optometrist buys eyeglass frames for display in their (separate from the clinic) optical shop, are they required to pay sales/use tax on the display frames?

Response 5

The optometrist is required to pay the sales/use tax regular retail rate of 7% on the purchase of the frames for use as display items that will not be sold as prescription eye glasses.

Inquiry 6

Would this tax exemption apply to the lab where an optometrists sends the glasses to be made if the lab is in Mississippi? Currently the labs charge the optometrist for the lenses plus tax.

Response 6

Pursuant to Miss. Code Ann. Section 27-65-111(ad), the sale of durable medical equipment and home medical supplies, which consist of lenses, to a licensed physician for medical purposes of a patient is exempt from sales tax. Accordingly, the exemption would still apply on the sale of the lenses from the lab to the optometrist.

Inquiry 7

Would this tax exemption apply to the lab where an optometrists send the glasses to be made if the lab is outside Mississippi? Currently the labs charge the optometrist for the lenses plus tax.

Response 7

The exemption does apply to Mississippi sales/use tax on the sale of lenses from an out of state lab to an optometrist located in Mississippi.

Inquiry 8

Does an optometrist pay sales/use tax on lenses purchased for making glasses for their patients when there is no sales/use tax applied by the vendor?

Response 8



The optometrist is not required to pay sales/use tax on the lenses purchased for making glasses for their patients when there is no sales/use tax applied by the vendor.

Inquiry 9

If an optometrist has already paid sales/use tax for the time period since July 1, 2016, what is the process for receiving a refund?

Response 9

If an optometrist paid sales tax to one of their vendors on an exempt sale, they will have to be refunded the tax by their vendor. Once the vendor has refunded the optometrist, the vendor may amend down their sales tax return(s) for the period(s) in which sales tax was collected and remitted on exempt sales if the return was submitted within the last 36 months of the amended return. After amending down their return, they may then make a written request to the Mississippi Department of Revenue to be refunded sales tax collected and remitted in error as well as provide any supporting documentation to back their claim.

If the optometrist accrued and paid use tax on exempt purchases, they may amend their return(s) down for the period(s) in which use tax was accrued and paid on exempt purchases if the return was submitted within the last 36 months of the amended return. They may then make a written request to the Mississippi Department of Revenue to be refunded use tax remitted in error as well as provide any supporting documentation to back their claim.

All refunds by the Department of Revenue are limited to amounts paid on returns filed within the last 36 months. No refund is allowed under Mississippi law for amounts paid on returns filed prior to the last 36 months.

Inquiry 10

Please advise if the following statement is correct. "Before July 1, 2016, when an optometrist purchased products, they were charged sales tax from the supplier – frames, lenses, and contacts. When the optometrists sold those products to the patient, they did not charge the patient sales tax nor did they send in sales tax to the MSDOR unless use tax was owed from companies that did not charge tax at the time of the optometrists' purchase. NOW – after July 1, 2016 – an optometrist still does not charge the patient sales tax but the optometrist is now considered sales tax exempt when they purchase frames, lenses, and contacts from their vendors."

Response 10

The above statement is correct. As of July 1, 2016, as prescribed by House Bill 1687 of the 2016 Regular Session, the sale of durable medical equipment or home medical supplies when ordered in writing or prescribed by a licensed physician for medical purposes of a patient is exempt from sales tax. Prior to July 1, 2016, pursuant to Miss. Admin Code Title 35.IV.12.01, optometrists were considered end users when purchasing prescription glasses and the sale of prescription glasses to optometrist was subject to the regular retail rate of 7%.

This letter ruling is based on the specific facts and circumstances that you communicated to the DOR. This ruling is not binding on the DOR if these facts and circumstances are inaccurate, contain a material omission of a relevant fact or facts to the issue(s) presented or if such facts and circumstances change. This letter ruling is also only valid for seven (7) years from the date of this letter. At the end of this seven (7) year period, you are free to update your information and request another letter ruling if you wish. This ruling is only applicable to you or to your client if you are requesting this ruling on behalf of another and can only be relied upon by the person for whom the ruling was requested.

If the facts and circumstances presented in your request are accurate, complete and do not change for the seven (7) year period indicated above, the person for whom it was requested can rely upon this ruling unless and until there is a change in the law or regulation or the issuance of judicial decision that indicates the ruling is no longer correct or the DOR retracts the ruling. The DOR does reserve the right to retract this ruling if it later determines on its own review that the ruling is



incorrect. Such retraction will be in writing and the effect of the retraction will be prospective from the date of the retraction letter.

Sincerely,

Greg Duke
(601) 923-7290
Mississippi Department of Revenue

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