April 8, 2008

MEMORANDUM

To: Representative Sheridan

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266–2263

Subject: Technical Memorandum to **2007 AB 724** (LRB–3701/1) **by DOR**

___

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 25, 2008

TO: Joseph Kreye, Senior Attorney
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 724 – Sales Tax Exemption for Continuous
Positive Airway Pressure Machines

The Department of Revenue has the following concerns regarding AB 724:

1. While the exemption is for a "continuous positive airway pressure" machine (CPAP machine), there are machines that are used for similar purposes that are not included in this exemption, such as bi-level positive airway pressure machines (BiPAP), auto-titrating or automatic positive airway pressure machines (APAP or AutoPAP), variable positive airway pressure machines (VPAP), and spontaneous time machines (xPAP ST). If it is the intention to also exempt these machines, the language of the exemption should be amended. Removing the word "continuous" from the bill may allow each of the machines described above to qualify.

2. The exemption does not include parts and accessories for CPAP machines. If the intent is to also exempt parts and accessories, the bill may need to be amended.

3. The phrase "has a prescription" should state whom the prescription must be written by (or filled by) since a prescription may be written by any person.

If you have any questions regarding this technical memorandum, please contact me at
266-5773.

cc: Representative Sheridan