

Current Annotated Code of Maryland Tax-General Article §11-211(b) states that sales tax does NOT apply to a hearing device, a battery for an artificial hearing device, and a replacement cord for an artificial hearing device. Therefore, all other hearing aid-related devices and supplies are subject to the current 6% sales tax. The Maryland Academy of Audiology (MAA) is asking the State to review this tax code and the intent behind it, specifically to make hearing aid-related accessories and replacement/repairs/service of hearing aids tax exempt.

Hearing aids are medical devices regulated by the Food and Drug Administration (FDA) as either Class I or Class II medical devices. Hearing aids are sound-amplifying devices designed to aid (treat) people who have hearing impairment.¹ Typically, hearing aids are used by individuals when medicinal or surgical treatment is not possible for their type of hearing loss (sensorineural). Licensed physicians, audiologists, and hearing aid dispensers work with individuals with hearing loss to customize a communication treatment plan, often including hearing aids, hearing aid accessories, and assistive listening devices.

This portion of the Maryland Tax Code has not kept up with changes in technology and has not been updated for, at least 14 years. Technological advances in computer chips and batteries have allowed hearing aids to become more sophisticated in their features, smaller in size, and contain components to allow for exchange of data with other devices (e.g. Bluetooth). The majority (if not all) new hearing aids sold today are digital and wireless. Radio frequency and Bluetooth technology has eliminated the need for wired cords between two hearing aids. [A wired connection between BiCROS (Bilateral Routing of Signal) and CROS (Contralateral Routing of Signal) hearing aids was required until the mid-2000s, when wireless technology improved to allow a transmitter and receiver to communicate the distance from one ear to another.] Additionally, technology has allowed hearing aid manufacturers to expand their portfolio and sell devices that stream a phone call from a landline and/or cell phone to hearing aids (e.g. Phone clip), stream the television directly to hearing aids (e.g. TV Streamer), connect a remote microphone- often given to a companion or lecturer, and have the signal sent directly to hearing aids (e.g. remote microphone) and act as a remote control for the hearing aid settings. Rechargeable batteries are becoming more common and require a very specific battery charger that fits the hearing aid exactly. All of these devices are only compatible with each manufacturer's hearing aids. These hearing aid-related accessories, which are currently being taxed, may replace the need for tax-exempt items. For example, a TV Streamer could replace a decoder for captioned television programs, and a Phone Clip could replace a telecommunications device that is adapted specifically for hearing-impaired individuals. Like their tax-exempt obsolete counterparts, today's replacement technologies should also be tax-exempt.

The MAA is asking that the State look at the intent of the law, with the additional knowledge of technology constantly improving devices, and state that "hearing aids and **hearing aid-related accessories**, hearing aid batteries and **hearing aid battery chargers**, and **replacement/repair/service of hearing aids**" be exempt from Maryland sales tax. This text would allow for improvements in technology to continue without the need of the sales tax code to be modified and keep the intent of the current tax code.

Should you need additional information during your review, please reach out to Bill Pitcher (bpitcher@marylandlobbying.com) and/or Alicia Spoor (alicia.spoor@gmail.com). Thank you for your assistance.

About MAA

The Maryland Academy of Audiology represents the 450+ licensed audiologists in the state of Maryland, and the patients they serve. Members of MAA practice in a variety of settings, including but not limited to: ear, nose, and throat (ENT) clinics, education, hospitals, private practice, and the Veterans Administration (VA). The MAA's goal is to enhance the ability of members to achieve career and practice objectives by fostering professional autonomy, providing quality continuing education, and increasing public and consumer awareness of hearing disorders.

ⁱ <https://www.fda.gov/medical-devices/hearing-aids/types-hearing-aids>