# Illinois should exempt breast pumps and supplies from the sales tax.

### **Problem**

- In Illinois and most other states, mothers that pump are required to pay sales tax when they buy their equipment. Meanwhile, infant formula is generally exempted from taxation.
- Illinois should offer full sales tax exemptions for breast pumps and supplies. Moms shouldn't have to pay the government to feed their babies, no matter how they choose to do it.
- Breast pumps are basic necessities for nursing mothers, especially for working moms that have returned to the workforce and have chosen to breastfeed beyond the initial maternity leave period (or those who have little or no maternity leave), or for a variety of medical reasons (such as when infants are premature and/or unable to latch).
- Insurance coverage doesn't solve the problem many women have to buy pumps outside of insurance, out of pocket, and are subject to tax. For moms covered by insurance, the tax cost still impacts them. The sales tax increases the cost to supply pumps on the insurance market, leaving moms with fewer choices and encouraging them to use formula instead, despite scientific evidence that breastfeeding fosters infant and maternal health. When a mother uses insurance or Medicaid, home medical equipment providers must pay the sales tax on what the insurance or Medicaid pays, hurting their already meager bottom line. If insurance is used to help subsidize a premium breast pump model, both the business and the mother pay their respective tax.

#### **Solution**

- The fix is simple: states should fully exempt breast pumps and supplies from sales tax. HB 4234 and SB 3634 would create this exemption.
- Eliminating this tax is one step states can take to improve access to breastfeeding for women of all socioeconomic statuses.
- Providing a tax exemption for pumps and supplies is an option that's both simple and cost-effective. In New Jersey, for example, the estimated cost to the state for a policy like this was inconsequential in the context of the state budget only \$1.36 million (based on the legislation's fiscal note), or .004 percent of the \$35.5 billion state budget that year. Exempting breast pumps is targeted, inexpensive relief.



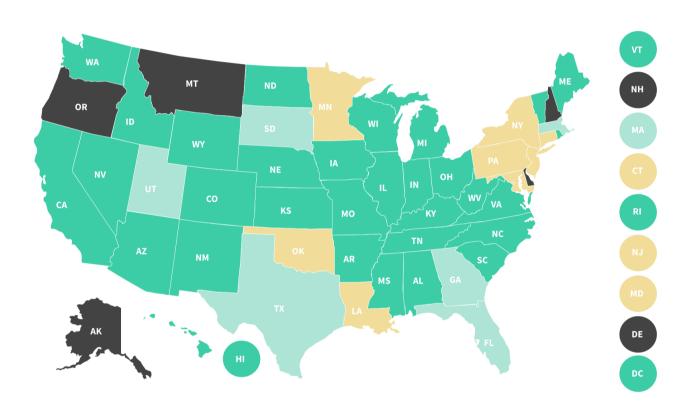


# **Policy Landscape**

## Breast pumps are taxed almost everywhere, but they shouldn't be.



<sup>\*</sup>Conditional exemptions are dependent on certain factors, such as type of use, Medicaid status, if it was obtained with a prescription, if it is designated as durable medical equipment, or if used by a hospital, to name a few example).



Illinois should become a leader on this issue and exempt pumps and supplies from sales tax by enacting HB 4234 and SB 3634.

To date, only six states fully exempt pumps and supplies. A handful of states have conditional exemptions, but these aren't a real solution.\* Breast pumps and supplies should be completely exempted from tax with no exceptions.