

 KENTUCKY YMCA YOUTH ASSOCIATION KENTUCKY YOUTH ASSEMBLY Legislative Bill	Blue Bill # SB 16						
	Referred to Committee: Senate 2						
Authors: Zack Stone, Anne McGrew	Action on the Bill <table> <tr> <td>House</td> <td>Senate</td> </tr> <tr> <td>___ <input type="checkbox"/> Passed</td> <td>___ <input type="checkbox"/> Passed</td> </tr> <tr> <td>___ <input type="checkbox"/> Defeated</td> <td>___ <input type="checkbox"/> Defeated</td> </tr> </table>	House	Senate	___ <input type="checkbox"/> Passed	___ <input type="checkbox"/> Passed	___ <input type="checkbox"/> Defeated	___ <input type="checkbox"/> Defeated
House		Senate					
___ <input type="checkbox"/> Passed		___ <input type="checkbox"/> Passed					
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School: George Rogers Clark High School							
City: Winchester							

1 An Act to Repeal the Six Percent Sales Tax on Over The Counter Medicine.

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3 **Be it enacted by the Youth Assembly of the Commonwealth of Kentucky**

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5 Section 1: It is recognized that Kentucky currently has a law that stipulates a 6% sales tax with exemptions
6 for food and prescription medications. It is also recognized that 15 other states also include over the
7 counter medications (OTCs) Section 5: There is no direct cost. Money saved from taxes will be reinvested
8 back into communities through additional spending on other products and services. The state tax money lost
9 will be cut out of Kentucky's general fund. This would be about \$90,000 lost in revenue per year. However,
10 this is not a significant amount compared to the \$10 billion Kentucky has in state tax money.

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12 Section 2: The Patient Protection and Affordable Care Act of 2013, signed into law on March 23rd, removed
13 OTC medicine eligibility from all Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs)
14 unless the medicines are prescribed. This healthcare reform act will go into effect on January 1st, 2014. In
15 notice 2013-59, the IRS officially announced that FSA/HSA funds can be used to pay for medicines or drugs
16 only if: the medicine or drug requires a prescription, or if available without a prescription (OTC) and the
17 individual obtains a prescription. Insulin, eye glasses, and contact lenses, as well as medical devices, such as
18 crutches, bandages, and diagnostic items like blood sugar test kits or blood pressure reading equipment are
19 excluded.

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21 Section 3: Every county will participate; establishments will stop charging the 6% tax on OTCs, as defined in
22 the Patient Protection and Affordable Act of 2013.

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24 Section 4: OTCs include various items such as cough syrup, sunscreen, acne treatments, anti-asthmatic
25 products, allergy treatments, stop smoking aids, and more.

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27 Section 5: This bill will go into effect January 1st, 2014 in their exemptions. It should be noted that OTC
28 medicines are a basic necessity and play a vital role in maintaining affordable healthcare.