

Repeal the Medical Device Tax to Support American Jobs & Economic Investment

Since 2013, the medical device industry has been subject to a 2.3% excise tax on medical technology sales, which amounts to a **\$29 billion burden** that hinders medical technology jobs and the development of innovative medical devices that are crucial to effective and efficient patient care. While the tax is currently suspended, **Congress must act to permanently repeal the tax to protect American jobs and healthcare innovation.**

A recent survey of medical technology manufacturers¹ – representing over half the domestic market for diagnostic imaging and technology equipment – found that a permanent repeal would likely lead to increases in research and development efforts, employment, and investment in operations infrastructure.

Key takeaways include:

- ▶ **100%:** Companies definitely or probably investing additional resources in research and development projects if the device tax is permanently repealed.
- ▶ **100%:** Companies definitely or probably able to expand investigative clinical activities or partnership with third parties to validate new technologies, products or applications.
- ▶ **80%:** Companies extremely likely or somewhat likely to hire more employees if the device tax is permanently repealed.
- ▶ **60%:** Companies who hired additional US-based employees as a result of the device tax suspension from 2016-2017.
- ▶ **4.4 years (and as many as 7 years):** Average time it approximately takes to develop new technology from the first stage of development to the time it reaches the market.

HOW RESOURCES WILL BE USED IF DEVICE TAX IS PERMANENTLY REPEALED

- Investment in new employees
- New product development including AI and cell therapy tools
- Product development enhancements
- Acceleration of suspended/delayed R&D projects

“Since the device tax suspension, we have introduced the world’s first ultrasound optimized for AI, the industry’s first wireless remote device for patients to control 2D mammogram breast compression and a revolutionary MR coil.”

- Survey Respondent

¹ NEMA/Business Information Services, MITA Device Tax Suspension Impact Survey 2018

