
PROPOSED TAX ON MED DEVICE MAKERS COULD COST JOBS



According to a [Boston Globe](#) piece, the nation's medical device manufacturers are none too happy with a central provision in the new health care legislation. The provision, which goes into effect in 2013, calls for a 2.3 percent excise tax on businesses that make and provide medical surgical devices to the health care community. Experts are estimating that the tax will raise some \$20 billion in the next 10 years – money that will be skimmed right from the top of device manufacturers' tills. Smaller to mid-sized business will be hit hardest, in some cases paying more taxes than they earn. As a spokesperson for the Medical Device Manufacturers Association explains, "We're talking about a ... tax on sales irrespective of whether a company is making a profit." Legislators behind the provision claim that the industry was given a seat at the table when the provision was being crafted and the tax is far lower than that originally proposed. No estimates have been made yet as to how many jobs could be affected as companies are forced to downsize or even shut down.

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