

## REPUBLICAN LAWMAKERS SAY MEDICAL DEVICE TAX IMPLICATIONS COULD KILL THOUSANDS OF JOBS



Minnesota Rep. Erik Paulsen expressed apprehension of Monday that the state stands to lose thousands of medical technology jobs if a new tax on medical devices is implemented. He called it a “ticking bomb.” Paulsen, a Republican has urged that the new tax should be retracted. Paulsen’s cause for worry is a new 2.3 percent medical device tax that is included in the new federal health care law. He said that the effects of the law are already being felt and manufacturers in the state are already planning to reduce their staff, to compensate for the new expenses that the tax will make them incur. He said that the new tax would have a devastating effect on the unemployment situation in Minnesota adding another 10 percent to the unemployment lists, moreover, he said that it would also greatly impact their productivity and profitability. “Studies have shown that tax would negatively impact the bottom lines of medical technology companies, increase compliance costs, and also could result in the loss of about potentially 10 percent of the industry’s current employment,” he said. “Here in Minnesota, that’s the equivalent of about 3,500 jobs.” However, Democrats have refuted the claims and said that Paulsen’s objections are politically motivated; Paulsen is running for a third term in a district considered safely Republican. On the contrary, they countered, millions more people will have access to health care because of the new law. “This is a PR (public relations) stunt for the election. The Republicans are helping the device industry back out of a deal they made,” Democratic Representative Jim McDermott said. But DFL Rep. Diane Loeffler of Minneapolis said “With just 10 percent more Americans, about 30-some million people, having access to health insurance, some for the first time in their life, they’re going to have access to cost effective care that includes these kind of devices for the first time. So, we expect that will actually create a growth factor within the industry that I think everyone will welcome.” “It seems to me that colleagues of yours have health insurance plans that are quite good,” said Rep. Michael Paymar, a Democrat. “You know, I wonder if the rest of the people of Minnesota would like to have a health insurance policy like you do.” The U.S. House meanwhile on June 7 passed a bill, authored by Paulsen, with support from all eight Minnesota representatives including four Democrats, which repeals the tax. The Senate has yet to take it up for a vote. The bill is unlikely to pass the Senate. “The tax is really kind of a ticking time bomb,” said Paulsen

<https://blog.granted.com/>