



# AdvaMed

Advanced Medical Technology Association

## TAXING AMERICAN INNOVATION

A new \$20 billion tax on medical devices that begins in 2013 will harm U.S. global competitiveness, stunt medical innovation and result in the loss of up to 43,000 American jobs.

### WE MUST REPEAL THE NEW MEDICAL DEVICE TAX BECAUSE:

- **ECONOMIC GROWTH** is crucial for continued job creation in the United States;
- **INNOVATION** is central to America's future economic growth and to delivering new life-saving medical devices to patients; and
- **GLOBAL COMPETITIVENESS** keeps jobs in America.

## **THE ECONOMIC EFFECTS OF THE MEDICAL DEVICE TAX WILL COST JOBS IN EVERY STATE, ESPECIALLY THOSE THAT EMPLOY LARGE NUMBERS OF PEOPLE IN MEDICAL TECHNOLOGY.**

- Up to 43,000 U.S. jobs will be at risk after the tax goes into effect.
- Wages for medical technology jobs are higher than the national average and total more than \$3.5 billion.
- The tax hurts jobs, repealing it will not hurt health care reform.
- Medical technology companies continue to support key elements of health care reform.

## **INNOVATION IS THE KEY TO PROVIDING CUTTING EDGE, LIFE-SAVING TECHNOLOGY TO PATIENTS.**

- Between 1980 and 2000, new diagnostic and treatment tools increased life expectancy by more than 3 years.
- The new tax hampers innovation and slows medical advancement at a time when our population is aging.
- Innovation can help reduce the burden of chronic diseases, which represent more than 70 percent of health care costs.
- The tax is assessed on revenue, regardless of profit, so it especially threatens innovative start-up companies. Start-ups tend to suffer losses in their early years when they are pouring money into R&D.

## **AMERICA STANDS TO LOSE ITS GLOBAL LEADERSHIP IN THE DEVELOPMENT OF MEDICAL TECHNOLOGY.**

- The U.S. is a net exporter in medical devices, exporting \$5.4 billion more than it imports. But our lead has shrunk dramatically in the last decade.
- U.S. tax rates are higher than competitor nations, and the R&D tax credit is less generous.