

NC Congressman Richard Hudson Leads Sponsorship of Legislation to Repeal Medical Device Tax

WASHINGTON, D.C. – North Carolina Congressman Richard Hudson is one of four lead co-sponsors of legislation to repeal the federal medical device excise tax that was introduced yesterday. The bill would address the looming threat of a \$20 billion tax increase at the end of this year when the current medical device tax suspension expires.

North Carolina Biosciences Organization President Sam Taylor thanked Hudson for his leadership on the bill. “North Carolina is home to nearly 200 medical device companies employing more than 8,500 workers at an average annual wage of more than, \$60,000. These companies and jobs will be at risk if the Medical Device Tax is allowed to take effect at the end of this year. Congress has already acted to suspend the tax, it is time to repeal it outright.”

Scott Whitaker, president and CEO of the Advanced Medical Technology Association, agreed, saying, “House introduction of the Protect Medical Innovation Act in the 116th Congress brings us one step closer to ensuring this innovation-stifling burden on the medtech industry never returns, supporting continued American leadership of this vital industry. “

North Carolina Representatives Ted Budd (NC-13), Virginia Foxx (NC-5), George Holding (NC-2), Patrick McHenry (NC-10), Mark Meadows (NC-11), David Rouzer (NC-7), and Mark Walker (NC-6) also co-sponsored the bill before it was filed. Similar legislation has already been introduced in the United States Senate. The Senate bill has 20 co-sponsors, including North Carolina Senators Thom Tillis and Richard Burr.

Taylor said that while past suspensions of the medical device tax have enabled manufacturers to invest in R&D, infrastructure and new hiring – which in turn benefits patients and the U.S. economy – these benefits, allowing the tax to take effect will make the United States less competitive as a location for new medical innovation. “Because the tax is based on revenue and not profit, start-up medical device companies are hit especially hard by the tax,” said Taylor. “Giving these companies an opportunity to establish reimbursement mechanisms and build market share without the burden of the medical device excise tax will be of disproportionate benefit to North Carolina as we work to further expand our medical device sector.”

The North Carolina Biosciences Organization is North Carolina’s trade association for the life science industry. The Organization has more than 200 members from the medical device, diagnostics, pharmaceutical, biologics, agricultural and industrial biotechnology sectors, as well as companies that contract independently to support development, testing and manufacturing of life science products.