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Congress of the United States
House of Representatives
Washington, DC 20515-3507

TRANSPORTATION AND
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HIGHWAYS AND TRANSIT
OVERSIGHT AND REFORM COMMITTEE
SUBCOMMITTEE
ENVIRONMENT

September 23, 2019

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
Washington DC, 20510

The Honorable Chuck Schumer
Minority Leader
Washington DC, 20510

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

As members of the Ohio delegation who support a repeal of the medical device tax, we write to urge action before the end of the year. The current suspension of the medical device tax expires on December 31, 2019, and it is critical to the health and sustainability of this vital American manufacturing industry in our state that this tax is not once again applied to its products. This looming tax increase will impact medtech innovation and job creation and threatens to destabilize the marketplace for this industry and the patients they serve.

The medical device industry directly employs 400,000 Americans. Ohio has a significant concentration of medical technology manufacturers, boasting a workforce of 12,400 people, with an average salary of almost \$43,000 per year. It is important to note, the economic contribution from the medtech industry to the state's economy is around \$6 billion annually.

Legislation to repeal the device tax enjoys broad support in the House and Senate as members recognize the impact this tax has on our constituents, both in access to the medical devices and diagnostic tools at the core of providing quality care, and in the hundreds of thousands employed by the industry.

According to the Department of Commerce, the U.S. medical technology industry saw its jobs rank fall by nearly 29,000 while the medical device excise tax was in effect from 2013-2015. Since the tax has been suspended, medical technology companies in Ohio and across the country are better able to invest those resources into research and development. Increased investment means more well-paid American jobs and crucial advancements in medical technology.

Finally, the 2.3 percent tax on revenue, rather than income, deters innovation, company formation, and economic growth. As some companies plan their budgets for 2020, they will continue to move forward with decisions based on the assumption that the tax will return. Unfortunately, other companies in the medtech industry are already in their fiscal year and will not have the ability to plan for this expenditure.

We support repeal of the medical device tax because patients who rely upon these innovative technologies will ultimately suffer the burden of this tax if it goes back into effect. Now is the time for the House and Senate to ensure that, as soon as possible, we do not allow taxes to increase on this key industry. We owe it to our constituents in Ohio to act and look forward to working with you to accomplish this goal.

Sincerely,



David P. Joyce
Member of Congress



Bob Gibbs
Member of Congress



Steve Chabot
Member of Congress



Brad R. Wenstrup, D.P.M.
Member of Congress



Jim Jordan
Member of Congress



Robert E. Latta
Member of Congress



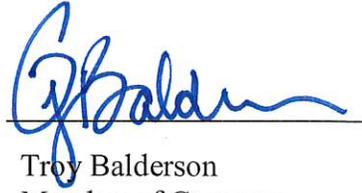
Bill Johnson
Member of Congress



Warren Davidson
Member of Congress



Michael R. Turner
Member of Congress



Troy Balderson
Member of Congress



Steve Stivers
Member of Congress



Anthony Gonzalez
Member of Congress