

Analysis of HR 160

The Protect Medical Innovations Act of 2015

This bill was introduced in January, 2015, by Rep. Erik Paulsen (R-MN) and 248 cosponsors.

HR 160 repeals the ObamaCare excise tax on medical devices, such as artificial knees and hips. The 2.3% tax went into effect on January 1, 2013. Excise taxes are often used to discourage use, i.e. excise taxes on cigarettes and alcoholic beverages. There is agreement that the tax will reduce the production and sale of these devices, but substantial disagreement over the degree of the impact. Estimates of industry job losses have ranged from 1,000 to 39,000. The fact that the CBO's estimate of income from the tax has dropped by 16% since the tax went into effect suggests that it may already be having a significant negative effect on sales.

The bill does not cut spending or raise any other tax to offset the fiscal impact of repeal. A June 2, 2015 report by the Congressional Budget Office estimated that repeal would add \$24.4 billion to the deficit over the next ten years.

The House passed HR 160 on June 17, 2015, by a vote of 80-140. The Senate has taken no action as of June 30.

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