

Download The Medical Device Excise Tax Economic Analysis

The Medical Device Excise Tax: Economic Analysis Congressional Research Service 1 Introduction The medical device tax was one of a number of additional revenues proposed to offset the cost of the Affordable Care Act (ACA; P.L. 111-148).¹ This excise tax is projected to collect \$38 billion of excise tax revenue over the next 10 years. An Economic Analysis of the Medical Device Tax . July 8, 2015 . INTRODUCTION . Since January 1, 2013, manufacturers, producers, and importers have grappled with a 2.3 percent excise tax on the sale of certain medical devices as a result of the Patient Protection and Affordable Care Act (ACA). 1, 2 Since January 1, 2013, manufacturers, producers, and importers have grappled with a 2.3 percent excise tax on the sale of certain medical devices as a result of the Patient Protection and Affordable Care Act (ACA). Many members of Congress, however, view the tax as a punitive revenue-raiser lacking substantial logic. The analysis suggests that most of the tax will fall on consumer prices, and not on profits of medical device companies. The effect on the price of health care, however, will most likely be negligible because of the small size of the tax and small share of health care spending attributable to medical devices.