

You are currently viewing the printable version of this article, to return to the normal page, please click [here](#).

S LIFE MEDIA SPECIALS COMMUNITIES STORE

Google™ Custom Search

Search



EDITORS' PICKS: [Reid: We have the votes to confirm drone-memo author](#)

CONNECT:

Obamacare medical device tax led to loss of 33,000 jobs, report says

33,000 laid off or not hired

25 SIZE: + / - PRINT | REPRINTS



By [Tom Howell Jr.](#) - The Washington Times

Sunday, February 23, 2014

A new survey says Obamacare's tax on medical device manufacturers forced companies to lay off or avoid hiring 33,000 workers last year — adding another arrow to the GOP's quiver as Republicans aim to portray the health care law as a job-killing program.

The report from the Advanced Medical Technology Association, or AdvaMed, underscored the latest line of attack against President Obama's signature law, as Republicans also trumpet the potential harm of the law's insurance rules on employers and a new report suggests government-subsidized health plans will prompt more than 2 million people to work less or leave the workforce.

The AdvaMed report said companies cut about 14,000 workers and decided not to hire about 19,000 workers because of the tax, which took effect in 2013.

According to the report, Obamacare's 2.3 percent excise tax on gross revenues prompted three-quarters of respondents to defer or cancel capital projects, trim investment in start-ups and reduce or defer raises for their employees.

"During a time when there is bipartisan support for growing high-technology manufacturing jobs, these results should serve as a wake-up call," AdvaMed President and CEO Stephen J. Ubl said. "As a result of the medical device tax, we have seen an unprecedented impact on jobs and key investments in R&D. The findings of the report underscore the need to repeal this tax."

A spokeswoman for Sen. Orrin Hatch, Utah Republican and frequent critic of Obamacare, said the report "reconfirms what we've already known about the tax."

The medical device tax is one of several taxes built into the Affordable Care Act to help pay for the reforms. But it has been attacked by both sides of the political aisle as a job killer that harms a growing business sector.

Senate Democrats, from states like Minnesota and Indiana, have been particularly vocal about their opposition, due to the large number of affected manufacturers in their states. The chamber voted 79-20 in March to repeal the tax, but it was part of budget talks and did not have the force of law.

Congress has not found the roughly \$30 billion dollars needed to repeal the tax over the next 10 years. Lawmakers came close to scrapping the tax during the debate over federal spending and debt reduction in October, but those talks ultimately stalled.

Trade groups say they are just as passionate about eliminating the tax as they were last year, but critics of the repeal crowd say the outcry is much ado about nothing.

"Not only can the medical-device industry easily afford the tax without compromising innovation, but the industry's enormous profits are a result of anticompetitive practices that

themselves drive up medical-device costs unnecessarily," the New York Times editorial board said in October.

Ryan Ellis, director of tax policy for the Americans for Tax Reform, said in an interview last month that opponents of the tax seem to think they can repeal it by pressuring Senate Democrats alone. But even if enough Democrats join every Republican lawmaker in voting to repeal the tax, he said a broader strategy may be needed to get the measure to the Senate floor.

"This is a fairly regional issue," Mr. Ellis said.
