

Congress of the United States
House of Representatives
Washington, DC 20515-2303

October 15th, 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 Charles E. Schumer
Minority Leader
Washington, DC 20510

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

As members of the Minnesota delegation who support a repeal of the medical device tax, we write to urge bipartisan action before the end of the year. The current suspension of the medical device tax expires on December 31, 2019 and poses a serious risk to the health and sustainability of this vital manufacturing industry to our state and country. Minnesota is home to a significant number of the world's preeminent medical technology manufacturers, boasting a workforce of close to 27,000 people earning an average salary of almost \$64,000, and generating over \$14 billion in economic activity annually.

Legislation to repeal the device tax enjoys broad bipartisan support in the House and Senate, and members from both parties recognize the negative impact this tax has on our constituents - both patients and employees. This looming tax threatens to destabilize the industry and significantly reduce investment in research and development.

Overall, the U.S. medical technology industry saw employment drop by nearly 29,000 jobs while the medical device excise tax was in effect from 2013-2015, according to data from the U.S. Department of Commerce. Now that the tax has been suspended longer than it has been in effect, medical technology companies in Minnesota and across the country have been better able to invest those resources in research and development, leading to advancements in medical technology.

Finally, the 2.3% tax on revenue, rather than income, deters innovation, company formation, and economic growth. As companies plan their budgets for 2020, they will continue to move forward with decisions based on the assumption that the tax will return. Research and development dollars are one of the first items cut to offset the tax, which erodes the long-run economic competitiveness of an important domestic manufacturing sector with facilities in 44 states.

We support repeal of the medical device tax because patients who rely upon these innovative technologies will ultimately suffer the burden of this tax. Now is the time for the House and Senate to ensure we do not allow taxes to increase on this key industry, and we look forward to working with you to accomplish this goal.

Sincerely,



Dean Phillips
Member of Congress



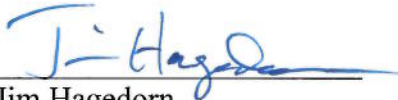
Tom Emmer
Member of Congress



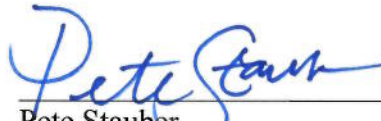
Angie Craig
Member of Congress



Collin C. Peterson
Member of Congress



Jim Hagedorn
Member of Congress



Pete Stauber
Member of Congress