



**FOR IMMEDIATE RELEASE**  
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## **Innovation Tax Will Stifle Medical Progress and Put Hoosier Jobs at risk**

**Indianapolis, IN** – Robert Durgin, president of the Board of the Indiana Medical Device Manufacturers Council (IMDMC), today on behalf of the IMDMC membership urged Senator Evan Bayh and Senator Richard Lugar to oppose a health care reform proposal by Senator Max Baucus that would significantly raise the federal tax rates paid by Hoosier medical device companies.

“The proposed \$4 billion annual tax on medical device companies would have a significantly adverse impact on Indiana device companies like Biomet, Zimmer, Cook Medical, DePuy, Hill-Rom, Medtronic, as well as many other Hoosier device companies – both large and small – that are engaged in medical technology,” said Durgin. “Preliminary estimates suggest the tax would amount to a significant federal tax hike for device companies, making the effective tax rate for Hoosier device companies one of the highest in the world. Like most taxes, the Baucus proposal would also raise the cost of doing business and force Hoosier medical device companies to consider offsetting this increased cost with potential cutbacks in important job-creating areas like R&D, manufacturing, and other business activities currently taking place or being planned in Indiana. Further, such cutbacks could impact innovation, health care affordability, and overall patient care.”

Indiana is one of the largest med tech states in the country and home to a large concentration of medical device companies directly employing thousands of Hoosiers in high value, high technology jobs. There are also thousands of other Hoosiers whose jobs are dependent upon the state’s medical device industry and who will be negatively affected by the proposed industry tax.

“The medical device industry is one of the few U.S. sectors with a positive balance of trade. In the current economy, we believe strongly that the government should work with industry to preserve jobs and U.S. leadership in the medical device industry. The Baucus proposal will have a chilling effect on medical innovation that can save lives and reduce costs in healthcare,” Durgin added.

Durgin said Indiana medical device companies are working with their industry colleagues to vigorously oppose the Baucus proposal so that they can continue to innovate and provide well-paying jobs in Indiana. With a tight vote expected in the Senate on any health care reform bill, Indiana’s senators will play a crucial role in determining whether the tax proposal becomes law. The IMDMC strongly urges Senators Bayh and Lugar, as well as the rest of Indiana’s congressional delegation, to preserve Hoosier jobs by working to eliminate any tax on Indiana’s medical device companies.

*The Indiana Medical Device Manufacturers Council (IMDMC) was formed in 1991 as a trade association and dedicated advocate for companies and individuals involved in the manufacturing of medical devices. The IMDMC represents more than sixty medical device manufacturers and related businesses.*

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