



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 4, 2012

H.R. 436
Protect Medical Innovation Act of 2012
As ordered reported by the House Committee on Ways and Means on May 31, 2012

H.R. 436 would amend the Internal Revenue Code to repeal the medical device excise tax that is scheduled to go into effect on January 1, 2013. Under current law, a tax of 2.3 percent will be imposed on the sale of medical devices by the manufacturer or importer. Medical devices that are regularly available at retail for individual use and not primarily intended for use by a medical professional are exempt from the tax. The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 436 would reduce revenues by \$29.1 billion over the 2012-2022 period. The entire revenue reduction would result from a reduction in on-budget revenues and thus pay-as-you-go procedures apply.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting H.R. 436 would result in revenue losses in each year from 2013 to 2022. The net increase in the deficit is shown in the following table.

CBO Estimate of Pay-As-You-Go Effects of H.R. 436, as ordered reported by the House Committee on Ways and Means on May 31, 2012

	By Fiscal Year, in Millions of Dollars												2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	1,742	2,562	2,668	2,771	2,889	3,012	3,143	3,280	3,428	3,582	12,631	29,076	

Source: Staff of the Joint Committee on Taxation.

Note: Components may not sum to totals because of rounding.

H.R. 436 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Kurt Seibert. The estimate was approved by Frank Sammartino, Assistant Director for Tax Analysis.

