



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 4, 2015

**H.R. 160
Protect Medical Innovation Act of 2015**

As ordered reported by the House Committee on Ways and Means on June 2, 2015

H.R. 160 would amend the Internal Revenue Code to repeal the medical device excise tax. Under current law, a tax of 2.3 percent is 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 tax went into effect on January 1, 2013, and its repeal by H.R. 160 would be effective starting in the first calendar quarter after the date of enactment.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 160 would reduce revenues, thus increasing federal deficits, by about \$24.4 billion over the 2015-2025 period. The estimate assumes enactment in the last quarter of fiscal year 2015.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 160 would result in revenue losses in each year beginning in 2016. The estimated increases in the deficit are shown in the following table.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Logan Timmerhoff. The estimate was approved by David Weiner, Assistant Director for Tax Analysis.

CBO Estimate of Pay-As-You-Go Effects for H.R. 160, as ordered reported by the House Committee on Ways and Means on June 2, 2015

	By Fiscal Year, in Millions of Dollars											2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025
NET INCREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	1,834	1,958	2,085	2,216	2,349	2,488	2,630	2,778	2,934	3,097	10,441	24,368

Source: Staff of the Joint Committee on Taxation.

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