

For Immediate Release  
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## AdvaMed Submits Comments on Device Tax Implementation

WASHINGTON, D.C. – The Advanced Medical Technology Association (AdvaMed) today filed initial comments with the Internal Revenue Service (IRS) on the implementation of the medical device excise tax. Christopher White, AdvaMed’s Executive Vice President and General Counsel, issued the following statement about the comments:

“AdvaMed and its member companies continue to believe the medical device excise tax is a serious burden for companies struggling to maintain America’s global leadership in the development of medical technology. But if the tax is implemented, it must be done consistent with the law’s intention and in a way that can be administered practically and efficiently by medical device companies and the IRS.

“The technical aspects of administering this tax will be challenging because key elements of the tax are significantly more complicated than current excise taxes, and this dynamic industry is unlike any other subject to a manufacturer’s excise tax. AdvaMed and tax specialists from our member companies developed specific policy recommendations on key implementation issues as well as several overarching principles for consideration by the IRS.

“We seek regulatory guidance to ensure implementation of the device tax avoids multiple taxation of single product sales, and imputation of value to medical devices in excess of sales price. Moreover, the rules should be flexible enough to accommodate the medical technology industry’s rapid innovation cycle, as well as the variety and complexity of products and transactions in this dynamic industry. We also believe that guidance should draw from and not conflict with other industry legal and regulatory authorities, where appropriate.

“We plan to submit additional policy recommendations on further industry specific arrangements and issues, and look forward to participating in the IRS guidance development process.

“We are pleased IRS is seeking industry input on how to best implement this tax. The unique characteristics of our industry make it ill-suited for blanket application of existing excise tax authorities, which were drafted for other industries at an earlier time.”

*The comments submitted by AdvaMed to the IRS regarding the implementation of the device tax may be viewed [here](http://advamed.org/NR/rdonlyres/1618C8FE-EBE3-4AD6-A6C0-A351F19BBFC9/0/AdvaMedFINALFirstRoundDeviceTaxCommentsMarch222011.pdf) (<http://advamed.org/NR/rdonlyres/1618C8FE-EBE3-4AD6-A6C0-A351F19BBFC9/0/AdvaMedFINALFirstRoundDeviceTaxCommentsMarch222011.pdf>). The accompanying letter may be viewed [here](http://advamed.org/NR/rdonlyres/026B52B9-9F79-4787-BCE5-1ED1388C6DC3/0/AdvaMedResponsetoIRSNotice20118932211.pdf) (<http://advamed.org/NR/rdonlyres/026B52B9-9F79-4787-BCE5-1ED1388C6DC3/0/AdvaMedResponsetoIRSNotice20118932211.pdf>).*

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*AdvaMed member companies produce the medical devices, diagnostic products and health information systems that are transforming health care through earlier disease detection, less invasive procedures and more effective treatments. AdvaMed members range from the largest to the smallest medical technology innovators and companies. For more information, visit [www.advamed.org](http://www.advamed.org).*