

The Medical Community of Maryland Opposes the Taxation of Cosmetic Procedures

House Bill 614 would impose a 6% sales tax on all elective cosmetic procedures performed in the state of Maryland. There are several reasons why this bill should be defeated:

1.) A tax on elective cosmetic procedures is an unreliable, risky revenue source that has no proven record of raising projected revenues. Since New Jersey – the only state to adopt a tax on cosmetic medical procedures – passed a 6% tax on cosmetic medical procedures in 2004, the NJ Department of Taxation has experienced a 59% shortfall based on projected revenue estimates. In fact, according to independent studies, for every \$1 NJ collects on the tax, the state loses \$3.39 in total revenue! As a result, Representative Joseph Cryan, the sponsor of the 2004 bill, is leading efforts to repeal the tax. *(2/20/08 Letter from NJ Assemblyman Joseph Cryan to MD Representative Sheila Hixson)*

2.) The difficulty of defining elective vs. medically-necessary cosmetic surgery. There is a blurry line between what procedures are considered medically-necessary and those that are elective. Consider the following kinds of procedures that could be taxed under this bill:

- Scar revision surgeries following reconstructive surgery to restore the appearance of accident victims
- Cosmetic dentistry to correct problems resulting from poor childhood dental hygiene
- Breast reduction surgery
- Potentially life-saving gastric bypass surgery and procedures to remove excess flesh afterwards

This tax also undermines the value of cosmetic procedures in improving the psychological health of a patient.

The following organizations oppose HB 614:

- Maryland's John Staige Davis Plastic Surgery Society
- Maryland Chapter of the American College of Surgeons
- Maryland Society of Eye Physicians and Surgeons
- Maryland Society of Otolaryngology-Head and Neck Surgery
- Maryland State Plastic Surgeons
- MedChi - The Maryland State Medical Society
- National Capital Society of Plastic and Reconstructive Surgeons
- American Academy of Cosmetic Surgery
- American Academy of Dermatology Association
- American Academy of Facial Plastic and Reconstructive Surgery
- American Academy of Ophthalmology
- American Academy of Otolaryngology-Head and Neck Surgery
- American College of Surgeons
- American Medical Association
- American Society for Dermatologic Surgery Association
- American Society of Plastic Surgeons
- International Society of Cosmetic and Laser Surgeons

3.) A tax will “drive” patients out of Maryland. Because of its close proximity to other states, increasing the cost of cosmetic medical procedures through a tax will encourage Maryland patients to travel just a short distance to Delaware, Pennsylvania, Virginia, West Virginia, or the District of Columbia to avoid paying the extra 6%. No one benefits from this but our neighboring states!

4.) This tax unfairly targets working women. According to a study performed by the American Society of Plastic Surgeons, 86% of cosmetic surgery patients are working women, with 60% of respondents reporting a household income between \$30,000 and \$90,000.

5.) Retention of highly-skilled physicians. Physicians face many challenges in operating their practices on a day-to-day basis. Let's not make them also serve as tax-collector!

The Medical Community Urges You to Vote NO on House Bill 614!