Statement of the American College of Surgeons
to the
Connecticut Joint Finance, Revenue and Bonding Committee
March 7, 2011

SB 1007

The American College of Surgeons, a professional association of 78,000 members with over 1,080 in Connecticut, is opposed to the imposition of taxes on cosmetic surgical procedures. Senate Bill 1007 contains a provision to assess a tax for cosmetic procedures defined as being “elective.” We are opposed to this provision and urge you not to implement this inappropriate tax on surgical procedures.

Surgeons and other physicians should not be turned into tax collectors for the state of Connecticut. Doing so is unwise health care policy, regardless of whether or not a procedure may be considered elective. In fact, determining which procedures are cosmetic or medically necessary can be quite difficult and should not be left up to the legislature or state tax auditors. What may be a cosmetic procedure in one case may be medically necessary in another – and untrained, non-medical professionals should not be making that judgment call.

Contrary to the conventional wisdom, cosmetic surgery is not an exclusive luxury afforded by the wealthy. In fact, cosmetic surgery patients are most likely to be working middle class women. If the Connecticut legislature is concerned about raising revenue to address state budget shortfalls, it should not do so with a tax on health care services that disproportionally targets working women but should instead consider taxes on true luxury consumer items.

It is important to note that a tax on cosmetic surgery can be costly to collect and will not generate the level of revenue desired. For example, New Jersey is the only state to have implemented a cosmetic surgery tax, and legislators grossly overestimated potential revenue and underestimated the administrative burden to collect it. Since 2004, the New Jersey Department of Taxation has experienced a 59% shortfall based on projected revenue estimates. In fact, according to independent studies, for every $1 the state collects on the tax, it loses $3.39 in total revenue. As a result, New Jersey Assemblyman Joseph Cryan, the sponsor of the 2004 bill, is leading efforts to repeal the tax in his state and has communicated this experience to elected officials all over the country.

For these reasons, we urge you to consider other options for addressing Connecticut’s budget shortfalls. A cosmetic procedures tax is not the solution.