



June 8, 2012

### **House Votes to Repeal Medical Device Tax and Restrictions on Health Savings Accounts**

One of the myriad of tax increases included in President Obama's health care overhaul is a 2.3 percent excise tax on manufacturers and importers of most medical devices. This tax, scheduled to take effect in 2013, will hit California especially hard, as medical device manufacturers employ over 72,000 workers in the Golden State. At a time when unemployment remains above 8 percent and hiring is slowing, it makes no sense to institute onerous taxes that will destroy good-paying jobs. This tax will also harm the quality of health care by decreasing capital that medical device companies need to research, develop, and manufacture new life-saving technologies.

This week, the House passed H.R. 436, the Health Care Cost Reduction Act, which repeals the excise tax on medical device manufacturers. In addition, it lifts the health care law's restrictions on individuals with health flexible spending arrangements (FSAs) or health savings accounts from using funds to pay for over-the-counter medications without a prescription. H.R. 436 also gives Americans with these accounts a 7-month grace period after the end of a plan year to recover up to \$500 in unused contributions. Current law requires any remaining amounts in a health FSA to be forfeited. As a co-sponsor of this important legislation, Congressman Miller hopes that the Senate will take up the legislation quickly to prevent this job-destroying tax increase from harming job creation, medical innovation and give patients greater control over their health savings accounts.

### **FY 2013 Energy and Water Appropriations Bill Clears House**

Also this week, the House passed the Fiscal Year 2013 Energy and Water Development Appropriations bill. The legislation, H.R. 5325, appropriates \$32.1 billion in funding for various agencies and programs under the Department of Energy, the Army Corps of Engineers, the Bureau of Reclamation, and various regional water and power authorities. This funding level is \$965 million below the President's request for Fiscal Year 2013 and is in line with the House-passed budget resolution. Funds in the legislation will be used for nuclear safety programs, domestic energy research and development, Army Corps projects, and science programs. The bill contains no earmarks, and also includes language to prevent the Obama Administration from closing the Yucca Mountain nuclear waste repository.

### **House Passes Homeland Security Appropriations Bill**

On Thursday, the House approved the Fiscal Year 2013 Homeland Security Appropriations bill under an open amendment process. The legislation, H.R. 5855, allocates \$39.1 billion in non-mandatory spending for the Homeland Security Department and its various agencies, including U.S. Customs and Border Protection, the Transportation Security Administration, the Coast Guard, Immigration and Customs Enforcement, and the Federal Emergency Management Agency (FEMA). The bill strikes a delicate balance to ensure that adequate funding is provided to protect our country, while also reducing and prioritizing federal spending. In fact, H.R. 5855 represents a decrease of \$484 million from current funding levels. As Congress continues to consider funding levels for our nation's priorities, Congressman Miller will work to ensure that those who defend our nation will have the resources they need to protect Americans from all threats facing our country.

### **May Jobs Report Shows Unemployment Rising, Economy Slowing**

Late last week, the Bureau of Labor Statistics reported that the nation's unemployment rate ticked up to 8.2

percent during the month of May. Furthermore, the report lowered the job creation numbers for April and March. This disappointing report indicates that our economy is slowing given uncertainty among businesses regarding the looming expiration of the 2001 and 2003 tax cuts, concerns about the national debt and its long-term implications, and worsening global economic conditions. After forty months of unemployment at or above 8 percent, it is clear that the President's spend-our-way-to-prosperity agenda has failed to produce the kind of meaningful and lasting job creation that our country needs. Congressman Miller will continue to work in Congress to encourage economic growth, such as reducing spending, paying down our national debt, relieving job creators from unnecessary regulations, and reforming our tax code to enhance our nation's competitiveness in the global economy.

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