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# Lamar Alexander speaks out against medical device tax in Memphis (Video)



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Tennessee Sen. [Lamar Alexander](#) made a trip to Memphis today to voice his continued support of a [repeal of the medical device excise tax](#), calling the repeal “critical.”

He took questions from the media before touring one of Memphis’ medical device manufacturers, **Onyx Medical Corp.**

The U.S. Senate voted on a repeal of the 2.3 percent tax on medical devices in March, though the vote [was considered largely symbolic](#) as the repeal was attached(1) to a federal budget that was unlikely to pass in the House of Representatives.

Still, the [strong showing from both sides of the aisle](#) — about half of Senate Democrats supported the repeal — has buoyed Alexander’s argument.

“We had both Democratic and Republican support,” said Alexander. “I think the chances are good that the 2.3 percent excise tax on the revenues of medical device companies will be repealed before very long.”

However, the sticking point may come in how the estimated \$60 billion over the next 10 years expected from the tax will be replaced. Before the March vote, Alexander proposed repealing subsidies on solar energy. That approach seems unlikely to sway many Democrats, and for the time being, Alexander does not seem to have an answer yet.

“It will have to be replaced so that we don’t add to the debt,” said Alexander. “I don’t know where that will come from.”

The tax has already raised an estimated \$388 million in the first three months of 2013.

Onyx specializes in supplying products used for orthopedic and minimally invasive operations. Currently, Onyx employs 100 in Memphis.

Memphis' medical device manufacturers have been announcing a string of lay offs recently.

Wednesday, Medtronic Spinal announced it was laying off 60 Memphis-area employees and Smith & Nephew Inc. (NYSE: SNN) announced plans to lay off 63 employees in early February.

When the layoffs were first announced, Smith & Nephew directly attributed them to the device tax, but later recanted that statement.