

# AMERICAN ACADEMY OF AUDIOLOGY



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August 24, 2010

South Carolina Tax Realignment Commission  
Burnet R. Maybank, III, Chairman  
c/o Senate Finance Committee  
110 Gressette Building  
PO Box 142  
Columbia, SC 29202

Dear Chairman Maybank,

As the South Carolina Tax Realignment Commission seeks to update South Carolina's tax system, the American Academy of Audiology (the "Academy") would like to offer comments on this important matter, specifically the elimination of the tax exemption for hearing aids. The Academy serves as the world's largest professional organization, of, by, and for audiologists. With over 11,000 members, we have firsthand knowledge and understanding of how access to hearing aids and other devices impacts the lives of the patients we serve.

A tax on hearing aids will undoubtedly have an adverse effect on persons with hearing loss who require such devices. If imposed on hearing aids, any tax or fee based on sales would likely be passed directly to patients and could have a negative impact on patient access to quality care. For example, the majority of hearing aid sales (72 percent) are not paid for by insurance, but are paid for by individuals as an out-of-pocket expense. Hearing aids are essential to the physical and mental health, as well as quality of life, of American citizens. Because of their high price due to the advanced research and technology involved in producing effective hearing assistive technology, many Americans with hearing loss are unable to afford them. Eliminating the tax exemption for hearing aids will add to the already high cost of such devices, creating an additional financial burden for patients and consumers.

Removing the tax exemption for hearing aids, and other Class I medical devices, was part of this year's national health care reform discussion. Based on the reasons detailed above, the U.S. House of Representatives and the U.S. Senate acted to exempt Class I medical devices from a device tax overhaul. As a result, tax exemptions for hearing aids remained intact in the Patient Protection and Affordable Care Act, the final health care reform legislation. The Academy asks that the Tax Realignment Commission act in a manner consistent with this policy and recommends that hearing aids remain exempt from taxation.

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As you continue your efforts to reform South Carolina's tax system, we urge you to consider how eliminating the tax exemption for hearing aids will affect those with hearing loss and the audiologists that treat these individuals within the state.

Please contact Melissa Sinden, Senior Director of Government Relations, at (202) 544-9335 or [msinden@audiology.org](mailto:msinden@audiology.org) for additional information or with any questions you may have.

Sincerely,

A handwritten signature in cursive script that reads "Patricia B. Kricos". The signature is written in black ink and is positioned below the word "Sincerely,".

Patricia B. Kricos, PhD

President, American Academy of Audiology