

### **ASDSA Position on Cosmetic Procedures Taxes**

The American Society for Dermatologic Surgery Association is opposed to the taxation of cosmetic medical procedures. For the past several years, state legislatures have proposed the taxation of elective cosmetic medical procedures as a solution to budget problems. Cosmetic medical procedures taxes are an unreliable and risky revenue source, place government employees in the precarious position of determining what procedures are strictly cosmetic versus medically-necessary, and have the ability to drive patients and physicians out of the taxing state.

The 6 percent cosmetic procedures tax adopted by the State of New Jersey in 2004 has fallen far short of 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.

Procedures are often difficult to clearly define as strictly cosmetic or medically necessary. A forced definition of cosmetic versus medically-necessary at the state level would force government employees to determine whether patients who receive treatment to correct scarring from domestic violence, car accidents, dog mauling or other traumatic events should be taxed.

Most of ASDSA's members have mixed practices which include both cosmetic procedures such as laser hair removal and medically necessary procedures such as the treatment of skin cancer by surgery. There are hundreds of procedures that we perform that can be considered cosmetic or medical. For example, larger varicose vein treatment is primarily a medical treatment to relieve swelling, dermatitis and ulceration. Spider veins often connected to varicose veins are considered a cosmetic treatment but often require a medical procedure to contributory varicose veins. As physicians we must deal with the cosmetic versus medical issue several times a day and it often becomes a logistic nightmare.

Finally, the cost of administering and collecting these taxes, as well as the cost of the taxes themselves, provides physicians and patients a great degree of incentive to take their practices or their business to a neighboring state which does not tax these procedures. Given the dubious nature of the financial benefit of such taxes, the logistical difficulty in imposing these taxes, and the value judgment inherent in the imposition of such a tax, ASDSA shall continue to advocate in opposition to cosmetic medical procedures taxes.

Approved by ASDSA Board of Directors  
November 2008