

70 Organizations and Activists Oppose the Pelosi Drug Tax Plan

October 15, 2019

Dear Members of Congress:

We write in opposition to the prescription drug pricing bill offered by House Speaker Nancy Pelosi that would impose an excise tax of up to a 95 percent on hundreds of prescription medicines.

In addition to this new tax, the bill imposes new government price controls that would decimate innovation and distort supply, leading to the same lack of access to the newest and best drugs for patients in other countries that impose these price controls.

Under Speaker Pelosi's plan, pharmaceutical manufacturers would face a retroactive tax of up to 95 percent on the total sales of a drug (not net profits). This means that a manufacturer selling a medicine for \$100 will owe \$95 in tax for every product sold with no allowance for the costs incurred. No deductions would be allowed, and it would be imposed on manufacturers in addition to federal and state income taxes they must pay.

The alternative to paying this tax is for the companies to submit to strict government price controls on the medicines they produce. While the Pelosi bill claims this is "negotiation," the plan is more akin to theft.

If this tax hike plan were signed into law, it would cripple the ability of manufacturers to operate and develop new medicines.

It is clear that the Pelosi plan does not represent a good faith attempt to lower drug prices. Rather, it is a proposal that would crush the pharmaceutical industry, deter innovation, and dramatically reduce the ability of patients to access life-saving medicines.

We urge you to oppose the Pelosi plan that would impose price controls and a 95 percent medicine tax on the companies that develop and produce these medicines.

Sincerely,

Grover Norquist
President, Americans For Tax Reform

James L. Martin
Founder/Chairman, 60 Plus Association

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Marty Connors
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AMERICANS
for TAX REFORM



AMERICAN COMMITMENT



The American Consumer Institute
Center for Citizen Research



LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM





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