



HB 2839: Supplemental statement in support

Testimony for House Revenue Committee – Bennett Minton – 2.12.2021

Madam Chair and members of the Committee on Revenue:

Tax Fairness Oregon is a network of volunteers who advocate for a rational and equitable tax code. We strongly support the bill.

The Washington Post [reported February 12](#) that four drug companies that settled civil charges of profiting from the opioid epidemic plan to use the NOL carryback to reduce their tax liabilities:

In recent months, as details of the blockbuster settlement were still being worked out, pharmaceutical giant Johnson & Johnson and the “big three” drug distributors — McKesson, AmerisourceBergen and Cardinal Health — all updated their financial projections to include large tax benefits stemming from the expected deal, a Washington Post analysis of regulatory filings found.

In one example, Dublin, Ohio-based drug distributor Cardinal Health said earlier this month [it planned to collect](#) a \$974 million cash refund because it claimed its opioid-related legal costs as a “net operating loss carryback” — a tax provision Congress included in last year’s [coronavirus](#) bailout package as a way of helping companies struggling during the pandemic.

We don’t know to what extent these companies pay (or don’t pay) tax in Oregon, because our law has no transparency requirement.

We do believe that you should act with dispatch to disconnect from the CARES Act, so that Oregonians are not subsidizing the NOL provision.

We read the bills and follow the money