

SB 382 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 3/5

WHAT THE MEASURE DOES:

Excludes receipts from the sale of prescription drugs by licensed retail pharmacies from the Corporate Activity Tax. Applies to tax years beginning on or after January 1, 2026. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Commercial activity from prescription drugs sales is generally taxable under Oregon's Corporate Activity Tax (CAT) unless a specific exemption is in statute for either the commercial activity or the business receiving payment for the activity. Oregon statutes currently define several relevant entities that are not subject to the CAT, including nonprofits (e.g., 501(c) corporations), government providers, as well as hospitals and other providers subject to Oregon medical provider taxes. Additionally, receipts from residential care facilities and in-home care agencies received as compensation for providing service to a medical assistance or Medicare recipient are excluded.

Retail sales receipts for prescription drugs sales, from pharmacies with 9 or fewer locations, are also excluded from the CAT. This bill would expand this exclusion to include all pharmacy prescription drug sales.