

February 23, 2025

Dear Chair Meek and members of the committee,

I own Harrisburg Pharmacy in Linn County. I'm writing to give support for SB 707 and the continued exemption of pharmacies from this tax burden. Pharmacies, like most healthcare providers, have contracts with PBM's which have fixed prices for goods and services. These contracts prevent me and other pharmacies from being able to raise our prices or add a surcharge to help cover some of this tax burden. Therefore, we bear the full cost of the tax which makes it disproportionate on us versus the rest of the taxpayers of Oregon.

Furthermore, my wholesalers charge me for their portion of this extra tax burden. Therefore, I'll be paying for part of their tax burden and all of mine. By them doing this, I'm stuck in a double taxation situation that feels unfair to me. Now my costs of goods are increasing, and I have no way to offset it.

This tax is having a negative effect on my ability to maintain and grow my business, which will worsen if this exemption is not extended or made permanent for pharmacies. I have had a 20% percent reduction in my business over the past 2 years. This tax burden has taken away from my ability to advertise my pharmacy. I have had to lay off employees due to this tax burden. If this tax is allowed to continue, new customers won't be able to find me and my business will dwindle further and I'll have to shut it down. This will mean tremendously less tax money for the state in the future. Also, my customers will have to travel further time and distance to a pharmacy that will mostly likely be overwhelmed by this influx. They will have to wait longer to get the medications necessary for their well-being.

I have included pages from my contracts which specifically state I cannot charge patients more than the copay they have determined.

These are the amounts I have paid for the past 5 years;

	Direct	Wholesaler portion
2020	\$8,500.00	\$12,000.00
2021	\$0	\$12,000.00
2022	\$0	\$14,000.00
2023	\$0	\$14,000.00
2024	\$0	\$15,000.00

Sincerely,
Robert Curtis
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