



## **SB 382: Exempt pharmacies from CAT but make it revenue neutral**

Senate Committee on Finance and Revenue – Jody Wiser – 3.5.2025

My name is Jody Wiser and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

SB 382 would exempt all prescription drugs from the Corporate Activity Tax. The sponsors of the bill is acting in good conscience out of concern with the high cost of drugs and the margin squeeze on some drug stores. Prescription drugs save lives. We support this exemption.

Regardless, any reduction in CAT revenue means less revenue at a time when the legislature is searching for ways to increase school funding, repair and build roads, and fight wildfires while also preparing for what changes at the national level will do to the citizens of Oregon.

I will repeat our concern. This legislature needs to be planning how to remain solvent when we expect massive federal funding cuts.

Moving this bill forward without an amendment to make it revenue neutral is likely to mean it will die in Ways and Means. If you are serious about doing something about the cost of drugs with this or any other bill, you will make the bill revenue neutral.

Tax Fairness Oregon urges legislators as a matter of principle to offset any reductions in the CAT with additional CAT payments elsewhere. This can be accomplished either by reducing the 35% subtraction for certain business expenses or alternatively increasing the 0.57% tax rate. We recommend the former.

We urge this committee to amend SB 382 so that it is revenue neutral.

***We read the bills and follow the money***