



101 1st Avenue S  
Ilwaco, WA 98624

Dear Chair Meek and Members of the Committee,

As a dedicated pharmacist serving Oregonians, I am writing to express my **strong support for Senate Bill 707**, which expands Oregon's **Corporate Activities Tax (CAT) exemption**. The CAT disproportionately burdens pharmacies, jeopardizing patient access to essential medication and healthcare services.

**Community pharmacies are uniquely affected by the CAT.** Unlike most businesses, pharmacies cannot set their own prices- these are dictated by pharmacy benefit managers (PBMs) and other third-party payers. Pharmacies must adhere to contractual reimbursement rates and cannot pass additional costs to patients. Meanwhile, drug wholesalers and manufacturers increase prices to offset their own CAT obligations, leaving pharmacies effectively **double-taxed**:

1. **When purchasing medications** from suppliers, and
2. **When dispensing those medications** to patients.

This excessive tax burden threatens the financial viability of pharmacies across Oregon. As pharmacies close or reduce hours to stay afloat, patients face dangerous delays in receiving their medications- delays that can compromise health outcomes. A recent Associated Press report ranked Oregon **second worst in the nation** for patient access to pharmacies. Many rural pharmacies have been designated as **Critical Access Pharmacies** by the Oregon Health Authority, underscoring their vital role in ensuring access to care in their communities.

**Passing SB707 is essential to safeguarding pharmacy services for all Oregonians.** A list of our Oregon stores is included below, but there are numerous other pharmacies and communities that would be negatively impacted without SB707. I urge you to support this bill to ensure that patients – regardless of where they live – can access affordable, timely healthcare.

Thank you for your consideration and leadership on this important matter.

Sincerely,

Signed by:

A handwritten signature in black ink that reads 'Jeff Harrell'.

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Jeff Harrell

CEO

- Black Oak Home Medical- Medford
- Black Oak Pharmacy- Medford
- Grants Pass Pharmacy- Grants Pass
- Hometown Drugs- Roseburg
- Myrtle Drugs- Myrtle Creek, OR
- Red Cross Drug Store- La Grande
- Red Cross Institutional Pharmacy- La Grande
- Shady Cove Pharmacy- Shady Cove
- West Main Pharmacy- Medford