Dear Members of Congress:

We write in opposition to the prescription drug pricing bill offered by House Speaker Nancy Pelosi that would impose an excise tax of up to a 95 percent on hundreds of prescription medicines.

In addition to this new tax, the bill imposes new government price controls that would decimate innovation and distort supply, leading to the same lack of access to the newest and best drugs for patients in other countries that impose these price controls.

Under Speaker Pelosi’s plan, pharmaceutical manufacturers would face a retroactive tax of up to 95 percent on the total sales of a drug (not net profits). This means that a manufacturer selling a medicine for $100 will owe $95 in tax for every product sold with no allowance for the costs incurred. No deductions would be allowed, and it would be imposed on manufacturers in addition to federal and state income taxes they must pay.

The alternative to paying this tax is for the companies to submit to strict government price controls on the medicines they produce. While the Pelosi bill claims this is “negotiation,” the plan is more akin to theft.

If this tax hike plan were signed into law, it would cripple the ability of manufacturers to operate and develop new medicines.

It is clear that the Pelosi plan does not represent a good faith attempt to lower drug prices. Rather, it is a proposal that would crush the pharmaceutical industry, deter innovation, and dramatically reduce the ability of patients to access life-saving medicines.

We urge you to oppose the Pelosi plan that would impose price controls and a 95 percent medicine tax on the companies that develop and produce these medicines.

Sincerely,

Grover Norquist
President, Americans For Tax Reform

James L. Martin
Founder/Chairman, 60 Plus Association

Saulius “Saul” Anuzis
President, 60 Plus Association

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Bob Carlstrom  
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Phil Kerpen  
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Daniel Schneider  
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Tom Giovanetti  
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Norm Singleton  
President, Campaign for Liberty

Ryan Ellis  
President, Center for a Free Economy

Andrew F. Quinlan  
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Jeffrey Mazzella  
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Ginevra Joyce-Myers  
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Peter J. Pitts  
President, Center for Medicine in the Public Interest

Olivia Grady  
Senior Fellow, Center for Worker Freedom

Chuck Muth  
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David McIntosh  
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Curt Levey  
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Matthew Kandrach  
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Tom Schatz  
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Adam Brandon  
President, Freedomworks

George Landrith  
President, Frontiers of Freedom
Grace-Marie Turner
President, Galen Institute

Naomi Lopez
Director of Healthcare Policy, Goldwater Institute

The Honorable Frank Lasee
President, The Heartland Institute

Jessica Anderson
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Founder, Miami Freedom Forum

Mario H. Lopez
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President, Independent Women’s Forum

Heather R. Higgins
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The Honorable Paul R LePage
Governor of Maine 2011-2019

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Pete Sepp  
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The Honorable Bill O’Brien  
The Honorable Stephen Stepanek  
Co-chairs, New Hampshire Center Right Coalition

The Honorable Beth A. O’Connor  
Maine House of Representatives

The Honorable Niraj J. Antani  
Ohio State Representative

Douglas Kellogg  
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Judson Phillips  
President, Tea Party Nation

David Balat  
Director, Right on Healthcare - Texas Public Policy Foundation

Sara Croom  
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Kevin Fuller  
Executive Director, Wyoming Liberty Group