

# Shaheen Introduces Legislation to Close Big Pharma Advertising Tax Loophole

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*\*\*Shaheen bill would eliminate tax deductions for prescription drug advertising paid for by American taxpayers\*\**

(Washington, DC) — Today, U.S. Senator Jeanne Shaheen (D-NH) introduced the *End Taxpayer Subsidies for Drug Ads Act*, legislation that would prohibit pharmaceutical drug manufacturers from claiming tax deductions for direct-to-consumer advertising expenses. Advertising expenses by pharmaceutical drug manufacturers have more than quadrupled over the past two decades, rising from \$1.3 billion in 1997 to \$6 billion in 2016. In that same time period, advertising from drug companies has increased from 79,000 ads to 4.6 million ads, including 663,000 TV commercials. Economists have estimated that nearly one third of the growth in United States drug spending can be attributed to

the increase in advertising for prescription drugs. Under current law, drug manufacturers are allowed to deduct the cost of advertising expenses from federal taxes. This aggressive advertising also increases demand and allows drug companies to increase prices. The *End Taxpayer Subsidies for Drug Ads Act*, which is co-sponsored by Senator Maggie Hassan (D-NH), would eliminate this tax deduction for drug advertising costs, ensuring that taxpayer dollars are not used to subsidize drug advertisements.

"A major side effect of Big Pharma's enormous ad spending is that it drives up prescription drug costs and rips off taxpayers in the process. Drug companies continue to increase advertising spending year after year, inundating the airwaves with billions of dollars of commercials, all the while continuing to increase the price of medications that patients need," **said Shaheen**. "The American public shouldn't be subsidizing Big Pharma's ads which is why my legislation would close this egregious loophole."

Shaheen has led efforts in Congress to combat rising drug prices. Skyrocketing prescription drug pricing is a serious problem for American families, and particularly problematic in states like New Hampshire that have been hardest hit by

the opioid epidemic and where first responders carry Naloxone – the antidote that reverses opioid overdoses. As co-chair of the Senate Diabetes Caucus, Senator Shaheen has consistently pressed to hold insulin manufacturers, insurers and pharmacy benefit managers accountable for the skyrocketing cost of life-saving insulin. Senator Shaheen has also advocated for legislation that would allow for Medicare to negotiate drug prices on behalf of seniors, and continues to support bipartisan efforts to help reduce the costs of prescription drugs by allowing individuals to safely import FDA-approved prescription drugs from Canada.

The *End Taxpayer Subsidies for Drug Ads Act* is also cosponsored by U.S. Senators Sherrod Brown (D-OH), Angus King (I-ME), Sheldon Whitehouse (D-RI), Tammy Baldwin (D-WI), Kirsten Gillibrand (D-NY), Chris Van Hollen (D-MD), Bernie Sanders (I-VT), Jack Reed (D-RI), Amy Klobuchar (D-MN), Richard Blumenthal (D-CT), Elizabeth Warren (D-MA), Mazie Hirono (D-HI), Brian Schatz (D-HI) and Dick Durbin (D-IL).

Full text of the bill is available [here](#).

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(<https://www.shaheen.senate.gov/services/office-locations>)