

Brief Details Need for Tax Reform of Big Pharma

Written by Citizen Action of Wisconsin Press
Tuesday, 18 May 2021 11:05

<http://newiprogressive.com/images/stories/S5/healthcare-family-dr-s5.jpg>



Congress must put Healthcare over Wealthcare say Wisconsin advocacy groups.

MILWAUKEE - As Congress prepares to debate President Biden's proposals to increase taxes on the wealthy and corporations as part of his "Build Back Better" economic stimulus and recovery package, state and national advocates released a [new issue brief](#) making the case for increasing taxes on drug corporations to fund investments in health care affordability.

Citizen Action of Wisconsin released the short report titled, "[Congress Must Make the Wealthy and Corporations Pay Their Fair Share of Taxes to Support Healthcare and Economic Recovery](#)" in collaboration with the national [Healthcare Over Wealthcare](#) project that supports tax fairness reforms to generate more revenue for healthcare and safety net expansions. The brief describes how the wealthy and corporations continued to prosper from the Trump era [Tax Cuts and Jobs Act](#) (TJCA) and long-standing tax loopholes while average-income people lost jobs, income, and healthcare during the pandemic.

In Wisconsin, for instance, where over 600,000 people have been infected with COVID and many are still struggling to recover health and economic stability:

Brief Details Need for Tax Reform of Big Pharma

Written by Citizen Action of Wisconsin Press
Tuesday, 18 May 2021 11:05

-

256,000 in state are struggling to afford enough food;

-

155,000 are struggling to pay pay rent;

-

The unemployment rate remains high at 3.8% and there are 148,000 fewer jobs today than when the pandemic started.

Conditions could deteriorate further if the Supreme Court overturns the Affordable Care Act (ACA) and Medicaid expansion, a source of healthcare for almost 400,000 Wisconsinites which also provides consumer protections to 883,000 people with pre-existing conditions in the state. The Supreme Court is due to rule on the constitutionality of the law again this summer.

As millions of Americans lost jobs and healthcare in 2020, the wealthiest households and prescription drug corporations continued to get tax breaks throughout the pandemic. The wealthiest 1% of households in Wisconsin received a tax break of \$39,610 last year, while the poorest households, those making under \$24,000 received about \$30.

Prescription drug corporations, which raised their prices on hundreds of drugs in both 2020 and 2021, and have already received [billions](#) in tax breaks under the Trump tax law continue to receive tax breaks even as they raise prices so high that even a third of people with insurance can't afford medicines.

Some of the largest of these corporations, including Johnson & Johnson and Pfizer, also received [billions](#) in taxpayer funds to develop, manufacture and distribute the new COVID 19 vaccine. Pfizer announced recently that it expects to generate [\\$26 billion](#) in revenue in 2021 from the vaccine. The price of prescription drugs is rising [faster](#)

Brief Details Need for Tax Reform of Big Pharma

Written by Citizen Action of Wisconsin Press
Tuesday, 18 May 2021 11:05

than any other good or service even as demand for medicines is increasing because of COVID.

President Biden's "[Made in America Tax Plan](#)," would raise about \$3.6 trillion in revenue from a combination of corporate tax increases, raising taxes on households making over \$400,000, closing loopholes and increasing enforcement of tax laws, particularly on higher income payers. Drug corporations would face increased domestic rates and increased offshore rates on profits stashed in tax havens. The revenue would support popular investments like increased premium tax credits for people buying ACA coverage, childcare and family leave expansions, jobs and infrastructure repairs.

"No one should have to choose between paying for medicine and paying for other basic needs like food, rent or transportation. COVID has sharpened the contrast between average Americans struggling to afford healthcare and medicine. The Big Pharma corporations who keep jacking up prices and then getting rewarded by tax breaks," said Robert Kraig, Executive Director of Citizen Action of Wisconsin. "President Biden's proposals to increase corporate tax rates on companies like these drug corporations are long overdue. Right now, patients are paying three times for prescription medicines: once for research and development, once at the pharmacy and then once more for the tax breaks that these corporations get annually. It's time to flip the script and make them pay their fair share."

###

[Citizen Action of Wisconsin](#) is a member-owned coalition of individuals and organizations committed to achieving social, racial, economic, health, and environmental justice through grassroots organizing and advocacy. Follow us on Facebook and Twitter @CitizenActionWI.

[Health Care for America Now \(HCAN\)](#) is a grassroots coalition of state and national groups that led the fight to pass the landmark Affordable Care Act (ACA). Healthcare Over Wealthcare is a campaign of Health Care for America Now that advocates for prioritizing investments in equitable, affordable healthcare for everyone over tax breaks for the rich and corporations. Follow us on Twitter @HCAN.