



February 8, 2023

Senate Committee on Finance and Revenue / Senate Bill 61

Dear Chair Meek, Vice-Chair Boquist, and Committee Members:

Last year, this legislative body granted narrow relief for small, mostly rural and independent human pharmacies, by excluding the gross sales of prescription drugs by a pharmacy from commercial activity subject to the Corporate Activity Tax (CAT).

The Oregon Veterinary Medical Association supports Senate Bill 61 – to extend this exemption for all retail pharmacies in the state. We also would like to introduce an amendment to include Oregon’s veterinary facilities as well.

Across our state, there are approximately 800 independent and corporate owned retail pharmacies that dispense important prescription medications to help Oregonians address their healthcare needs, including emergent medical issues as well as chronic conditions.

What is missing from this legislation, however, is inclusion of veterinary facilities in the state that also sell and dispense important and necessary medications *for their patients* that range from cats and dogs to sheep to horses to cows and to other livestock and species of animals in between. For those of you on the committee who have animals, you know that their medical needs are not all that different from yours.

There are just under 700 registered veterinary facilities in all regions of Oregon, and most, but not all of them, dispense medications to their animal patients and meet the threshold for the CAT. And healthcare costs for animals – from pets to livestock – are subject to the same price pressures as human healthcare, where veterinary practices operate on very low margins (5-15% on average). Furthermore, FDA-approved human drugs that are identical to those dispensed through community pharmacies (and with the same supply chain) are commonly used and dispensed through veterinary practices. Indeed, many pet patients are prescribed these drugs through those very same community pharmacies, after initial dispensing by the veterinary practice.

We believe it is appropriate – and fair – that an exemption from the CAT for gross receipts of pharmaceutical sales be extended to those veterinary facilities that qualify and dispense many identical drugs under the same regulatory framework of the Oregon Board of Pharmacy.

With this in mind, we ask for your consideration of an amendment, revising line 43 on page 4 of the bill to read: (WW) Receipts from the sale of prescription drugs by a pharmacy **and a veterinary facility**.

Thank you for your time.

Sincerely,

Glenn

Glenn M. Kolb, Executive Director

