

115TH CONGRESS
2D SESSION

S. 2478

To amend the Internal Revenue Code of 1986 to deny the deduction for advertising and promotional expenses for prescription drugs.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2018

Mrs. McCASKILL (for herself and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to deny the deduction for advertising and promotional expenses for prescription drugs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “End Taxpayer Sub-
5 sidies for Drug Ads Act”.

6 **SEC. 2. DISALLOWANCE OF DEDUCTION FOR ADVERTISING**
7 **AND PROMOTIONAL EXPENSES FOR PRE-**
8 **SCRIPTION DRUGS.**

9 (a) IN GENERAL.—Part IX of subchapter B of chap-
10 ter 1 of subtitle A of the Internal Revenue Code of 1986

1 (relating to items not deductible) is amended by adding
 2 at the end the following new section:

3 **“SEC. 280I. DISALLOWANCE OF DEDUCTION FOR DIRECT-**
 4 **TO-CONSUMER ADVERTISING OF PRESCRIP-**
 5 **TION DRUGS.**

6 “(a) IN GENERAL.—No deduction shall be allowed
 7 under this chapter for expenses relating to direct-to-con-
 8 sumer advertising of prescription drugs for any taxable
 9 year.

10 “(b) DIRECT-TO-CONSUMER ADVERTISING.—For
 11 purposes of this section, the term ‘direct-to-consumer ad-
 12 vertising’ means any dissemination, by or on behalf of a
 13 sponsor of a prescription drug product (as such term is
 14 defined in section 735(3) of the Federal Food, Drug, and
 15 Cosmetic Act), of an advertisement which—

16 “(1) is in regard to such prescription drug
 17 product, and

18 “(2) primarily targeted to the general public,
 19 including through—

20 “(A) publication in journals, magazines,
 21 other periodicals, and newspapers,

22 “(B) broadcasting through media such as
 23 radio, television, and telephone communication
 24 systems, direct mail, and billboards, and

“Sec. 280I. Disallowance of deduction for direct-to-consumer advertising of prescription drugs.”.

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