HR 2974

Stop Price Gouging Act

Congress: 115 (2017–2019, Ended)
Chamber: House
Policy Area: Taxation
Introduced: Jun 21, 2017
Current Status: Referred to the Subcommittee on Health.
Latest Action: Referred to the Subcommittee on Health. (Jun 23, 2017)
Official Text: https://www.congress.gov/bill/115th-congress/house-bill/2974

Sponsor

Name: Rep. Pocan, Mark [D-WI-2]
Party: Democratic • **State:** WI • **Chamber:** House

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Kaptur, Marcy [D-OH-9]	D · OH		Jun 21, 2017
Rep. Jayapal, Pramila [D-WA-7]	D · WA		Sep 7, 2017
Rep. Khanna, Ro [D-CA-17]	D · CA		Feb 8, 2018
Rep. Payne, Donald M., Jr. [D-NJ-10]	D · NJ		Feb 8, 2018

Committee Activity

Committee	Chamber	Activity	Date
Energy and Commerce Committee	House	Referred to	Jun 23, 2017
Ways and Means Committee	House	Referred To	Jun 21, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
115 S 1369	Identical bill	**Jun 15, 2017:** Read twice and referred to the Committee on Finance.

Summary (as of Jun 21, 2017)

Stop Price Gouging Act

This bill amends the Internal Revenue Code to impose an excise tax on pharmaceutical companies that sell prescription drugs that are subject to price spikes that exceed the annual percentage increase in the medical care consumer price index detailed expenditure category for all urban consumers (U.S. city average).

For each taxable prescription drug, the excise tax ranges from 50% to 100% of price spike revenue received by the company, depending on the size of the price spike and including an adjustment for revenue that is due solely to an increase in the cost of the inputs necessary to manufacture the drug.

Pharmaceutical companies must submit specified data regarding drug prices and revenue to the Inspector General (IG) of the Department of Health and Human Services (HHS), and the IG must submit an assessment of the data to the Internal Revenue Service.

HHS, upon the recommendation of the IG, may exempt certain drugs from the excise tax if: (1) a for-cause price increase exemption should apply; or (2) the drug has an average manufacturer price of not greater than $10 for a 30-day supply and is marketed by at least 3 other holders of applications approved under the Federal Food, Drug, and Cosmetic Act.

The Government Accountability Office must examine: (1) how drug manufacturers and health plans establish initial launch prices for newly approved drugs, and (2) alternative methods that have been proposed for setting the price of new drugs.

Actions Timeline

- **Jun 23, 2017:** Referred to the Subcommittee on Health.
- **Jun 21, 2017:** Introduced in House
- **Jun 21, 2017:** Referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.