S 378

Stop Price Gouging Act

Congress: 116 (2019–2021, Ended)
Chamber: Senate
Policy Area: Taxation
Introduced: Feb 7, 2019
Current Status: Read twice and referred to the Committee on Finance.
Latest Action: Read twice and referred to the Committee on Finance. (Feb 7, 2019)
Official Text: https://www.congress.gov/bill/116th-congress/senate-bill/378

Sponsor

Name: Sen. Brown, Sherrod [D-OH]
Party: Democratic • **State:** OH • **Chamber:** Senate

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Feb 7, 2019
Sen. Hassan, Margaret Wood [D-NH]	D · NH		Feb 7, 2019
Sen. Blumenthal, Richard [D-CT]	D · CT		Feb 11, 2019
Sen. Smith, Tina [D-MN]	D · MN		Feb 11, 2019
Sen. Van Hollen, Chris [D-MD]	D · MD		Mar 5, 2019

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Feb 7, 2019

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
116 S 1801	Related bill	**Jun 12, 2019:** Read twice and referred to the Committee on Finance.
116 HR 1093	Identical bill	**Feb 7, 2019:** Referred to the Subcommittee on Health.

Summary (as of Feb 7, 2019)

Stop Price Gouging Act

This bill imposes an excise tax on pharmaceutical companies that sell prescription drugs that are subject to price spikes that exceed the annual percentage increase in the Chained Consumer Price Index.

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

- **Feb 7, 2019:** Introduced in Senate
- **Feb 7, 2019:** Read twice and referred to the Committee on Finance.