

SENATE No. 1508

The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to eliminate the tax deduction for direct-to-consumer pharmaceutical marketing.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|-------------------------------|--------------------------------------|
| <i>Jason M. Lewis</i> | <i>Fifth Middlesex</i> |
| <i>Benjamin Swan</i> | <i>11th Hampden</i> |
| <i>James B. Eldridge</i> | <i>Middlesex and Worcester</i> |
| <i>Brian A. Joyce</i> | <i>Norfolk, Bristol and Plymouth</i> |
| <i>Timothy J. Toomey, Jr.</i> | <i>26th Middlesex</i> |

SENATE No. 1508

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 1508) of Jason M. Lewis, Benjamin Swan, James B. Eldridge, Brian A. Joyce and others for legislation to eliminate the tax deduction for direct-to-consumer pharmaceutical marketing. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act to eliminate the tax deduction for direct-to-consumer pharmaceutical marketing.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 1 of chapter 63 of the Massachusetts General Laws, as appearing in
2 the 2014 Official Edition, is hereby amended by striking items (e) and (f) under the definition of
3 “net income” and inserting in place thereof the following:-

4 (e) the deduction allowed by section 199 of the Code;

5 (f) the deduction described in section 163(e)(5) of the Code, to the extent increased by
6 amendments to section 163(e)(5)(F) and section 163(i)(1) of the Code, inserted by section 1232
7 of the American Recovery and Reinvestment Act of 2009; or

8 (g) the deduction described in section 162(a) of the Code, to the extent that this deduction
9 applies to direct consumer advertising of prescription drugs, which shall include all direct and
10 indirect costs incurred or paid relating to advertising prescription drugs and devices to patients in
11 Massachusetts, including media advertising, coupons, outreach and persistency programs, and
12 any other forms of marketing or advertising directed to persons other than licensed prescribers.

- 13 For amounts paid or incurred in national or regional programs, the amount disallowed shall be
- 14 the ratable share of expenses directed to Massachusetts residents.