

Macro Roundup Article

Headline: [Big Pharma's Big Tax Dodge](#)

Article Link: <https://www.businessinsider.com/big-pharma-companies-taxes-american-billion-dollar-profits-drugs-healthcare-2023-8>

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| Author(s) | Brad Setser and Tess Turner |
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Summary: The six major US pharmaceutical firms that provide fairly detailed data reported making \$215 billion worth of sales in the US for 2022. Given America's systematically higher prices, their sales abroad were logically more modest — totaling \$170 billion. Despite this discrepancy, the companies reported earning very, very little in profits — in some cases, absolutely nothing — in the US. Of their \$100 billion combined profit, the companies said \$90 billion was made abroad, while a paltry \$10 billion came from their US operations. That comes out to a profit margin of 5% in the US and a margin of over 50% abroad.

Primary Topic: Taxation

Topics: Fiscal Policy, Op-Ed/Blog Post, Taxation

Permalink: https://www.edwardconard.com/macro-roundup/brad_setser-argues-tax-reform-is-needed-as-the-american-pharmaceutical-sector-has-optimized-its-corporate-structure-to-shift-almost-all-of-its-domestic-profits-overseas-paying-an-effective-tax-rate?view=detail

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