

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
80th Oregon Legislative Assembly  
2019 Regular Session  
Legislative Revenue Office**

<b>Bill Number:</b>	<b>SB 112 - 1</b>
<b>Revenue Area:</b>	<b>Ton Tax</b>
<b>Economist:</b>	<b>Mazen Malik</b>
<b>Date:</b>	<b>06-12-2019</b>

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**The revenue impact of this measure is indeterminate for the following reasons:**

Section 1(5)(a) Requires vineyards to pay \$12.50 per ton to the commission if they sell to a winery that is not licensed, permitted or certified by the Oregon Liquor Control Commission. The winery is also required to pay \$12.50 per ton for received grapes.

Section 1(5)(b) Provides grape-ton tax requirements for winery licensees, wine certificate or permit holders with the Oregon Liquor Control Commission. Wineries are required to report their use of Oregon grapes and submit \$25 per ton of grapes and withhold \$12.50 per ton from their payment to grape producers.

This process might increase revenue coming from the wineries that are not reporting and paying the ton tax today. However, the obligation of the amounts paid today by the sellers will transfer to the winery and might dilute that payment obligation. This puts a likely loss of revenue almost equal to the gain potential.

The OLCC does not currently have a grower registration mechanism, and enforcement. Accordingly revenue recovery will be uncertain without developing such mechanism in the future.