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Senator Taylor

Thank you for your visit to Distillery Row recently. I hope your visit with myself and my fellow distillers imparted the importance of SB1565 to the future of our industry. And I hope you support SB1565 in the upcoming short session.

When I started New Deal back in 2004, there were only 10 to 20 craft distilleries in the US. Like the pioneers in the beer and wine industry, the only support we had was the belief we could build an industry. All the capital invested came from my own resources and personal debt. In the beginning, when no one had heard of craft spirits, it's was just myself and my business partner working by ourselves to learn all the aspects of this business, and create world class spirits.

Fast forward 16 years later, and New Deal has become one of the largest self-funded distilleries in Oregon. We employ over 10 full time employers, and many part time employees. We purchase hundreds of thousands pounds of Oregon fruit and grain each year. We give to many charitable organizations every month. We've helped numerous other distilleries get started. And I believe we make world-class products. Our pear brandy that has won top awards, including Best in Class at the American Distilling Institutes annual conference, and Double Gold and Best in Class in Sunset Magazines International Spirits Competition. These things I believe are all good for Oregon, and its economic growth.

One major struggle is our primary means of marketing, our tasting room, was setup under an economic model that doesn't allow it be profitable. Our industry has already shown its willingness to invest in the future of our business. For New Deal Distillery, SB1565 means we'll be able to invest in more in our business, have a viable avenue to market our products, and continue our growth. Which unfortunately, has been hampered by the current system of direct sales which equates to gross receipt tax on revenue of 33%.

The wisdom of SB1565, is the same wisdom behind the policies that allowed small wine producers to keep more of their revenue for investment. Like my fellow distillers, I want to continue to invest in this industry, which is only in its infancy.

Thank you again!

Tom

Tom Burkleaux

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