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On Behalf Of:

Committee: Joint Committee On Addiction and Community Safety
Response

Measure, Appointment or
Topic: HB3197

Oregon's more than 300 breweries help create 50,000 jobs and \$2.8 billion in wages each year, contributing \$8.7 billion to the state's economic activity.

Oregon's breweries are facing major challenges. Between inflation, supply chain issues, employee shortages, a pandemic, and fewer people drinking, these local businesses need the support of lawmakers and the public to survive.

According to the Brewers Association, in the past two years there have been more brewery, taproom, and brewpub closures than openings. In 2024, there were 399 closures compared to 335 openings. And in both 2023 and 2024, Oregon lost 30 of these local businesses each year.

In 2024, craft beer sales were down -2%.

As a reflection of craft beer being down, U.S. hop growers planted -18% less crop this year. Oregon hop farmers similarly planted -18% less in 2024.

Make your testimony personal: tell lawmakers your story and how this proposed tax will hurt your business. Stress that your business is a locally owned, small business and that many of the breweries in Oregon are owned by families and veterans and offer a community place for people to gather.

HB 3197 would be Oregon's first ever grocery and restaurant sales tax, increasing prices on legal-age drinkers in Oregon by 8%.

HB 3179 states that additional revenue is needed for youth prevention, yet youth drinking is at an all-time low, a trend that's occurred for more than two decades as existing prevention programs are working.

In 2024, Oregon brewers, winemakers and cidermakers worked with Rep. Sanchez on a taskforce to examine alcohol taxes. The taskforce declined to recommend a tax increase and 87.5% of the public comments submitted opposed tax increases.

This proposal doesn't include hard liquor and further vilifies the beer industry.