

Submitter: Nicholas Robbins

On Behalf Of:

Committee: Joint Committee On Addiction and Community Safety
Response

Measure, Appointment or Topic: HB3197

Opposition to HB3197 – Proposed 8% Sales Tax on Beer, Wine, and Cider
To Whom It May Concern,

I am writing to express my strong opposition to HB3197, which proposes an 8% sales tax on beer, wine, and cider. As a member of Oregon's craft beverage industry, I believe this bill would negatively impact local businesses and disproportionately harm consumers, especially at a time when the industry is already facing numerous challenges.

An Unnecessary and Regressive Tax on Consumers: This bill would be the first-ever sales tax on grocery and restaurant alcohol sales in Oregon. An 8% sales tax on beer, wine, and cider would directly increase prices for consumers, harming working families and legal-age drinkers. The timing of this proposal is especially problematic, as our industry is already grappling with inflation, rising costs, and decreased consumer demand.

Youth Drinking is Already on the Decline: The bill justifies this tax by claiming it will provide additional revenue for youth prevention efforts. However, youth alcohol consumption has been at an all-time low for over two decades, and existing prevention programs are already effective. This tax is unnecessary and not supported by the evidence of its effectiveness in addressing youth drinking.

Public Sentiment and Industry Opposition: In 2024, a taskforce convened by Rep. Sanchez, which included brewers, winemakers, and cidermakers, examined alcohol taxes. The taskforce overwhelmingly rejected the idea of a tax increase, with 87.5% of public comments opposing higher taxes on alcoholic beverages. This bill goes against the overwhelming sentiment of the public and the local businesses that drive Oregon's craft beverage industry.

Excluding Hard Liquor is an Inconsistent Approach: The bill does not include hard liquor in the tax, yet it specifically targets the beer industry. This exclusion highlights the unfair and discriminatory nature of the proposal. It is illogical to penalize one sector of the alcohol industry while leaving others untouched.

Impact on Local Businesses: The craft beer, wine, and cider industries in Oregon are essential to our state's economy, providing jobs, fostering tourism, and contributing to the local community. This tax would put additional pressure on small, locally-owned

businesses already struggling to survive. At a time when many of us are still recovering from the pandemic and facing ongoing supply chain issues, the introduction of this tax would only exacerbate the difficulties we are already encountering.

For these reasons, I urge you to oppose HB3197 and work with the industry to explore alternative solutions for supporting youth prevention efforts that do not unduly harm our local businesses or burden consumers.

Sincerely,

Nicholas Robbins