



April 2, 2025

Oregon State Legislature
Joint Committee on Addiction and Community Safety Response
via Committee portal

RE: OPPOSE House Bill 3197-2 – A tax on Oregonians

Dear Co-Chairs Prozanski and Kropf and Members of the Joint Committee,

The American Distilled Spirits Alliance (ADSA) is a group of industry leaders in manufacturing, importing, and marketing of, primarily, distilled spirits in the United States and around the world. We represent hundreds of well-known alcohol brands on shelves in Oregon – **spirits, wine and beer** - and over 60% of all distilled spirits sales in the U.S.

We oppose House Bill 3197-2, yet another tax that would further burden your constituents with higher alcohol prices. At a time when the Oregon hospitality industry (including sales and consumption of alcoholic beverages) continues to recover from severe economic shocks, policymakers should be looking for every opportunity to support, not penalize, this sector.

Oregon is already #2 in distilled spirits excise tax rates nationally, behind only Washington State. Further piling on with more beer, wine and cider taxes results in higher prices that penalize responsible consumers, especially those consumers at the lower end of the income range given its regressive nature.

We learned from the months-long work of the Task Force on Alcohol Pricing and Addiction Services during 2024 (as directed by House Bill 3610, 2023 Legislative Session) that:

- All alcohol taxes are already the third largest source of revenue for the State, yet only 3% goes to funding statewide drug addiction and mental health services.
- In the past few years, Oregon has increased substance use disorder funding by an additional \$1.4 billion.
- Oregon received \$600 million in the opioid settlement, providing a steady stream of revenues that can be dedicated to treatment services for the foreseeable future.

There appears to be enough revenue to go around. Lawmakers already have the opportunity, if not the duty, to redirect alcohol tax and other revenue sources to programs and services it deems are priority. They should do so before layering on yet another tax on their constituents. **Please oppose HB 3197-2.**

Sincerely,

Tom Perrick
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