

Members of the Joint Committee On Addiction and Community Safety Response,

Thank you for the opportunity to speak out against this proposed bill. I appreciate your time, and truly appreciate the care and consideration that you all will apply in regards to the proposed bill to tax the sale of beer, wine and spirits in the state of Oregon.

As a 30-year veteran of the service industry, I have held nearly every position imaginable, most recently as owner and proprietor of a small public house in SE Portland. Having the experience that I possess from years of service in a number of restaurants, in a number of cities around this country, I believe that I am, perhaps, an expert (and if not an expert, then pretty darned close to one) on the importance that the on-site sale of alcoholic beverages in restaurants and bars plays in their financial success.

With this newest endeavor in the restaurant industry, as the co-owner of a pub in the Sellwood neighborhood, I have gotten even more firsthand experience in how reliant and dependent we are on the sale and consumption of alcohol on a daily, weekly, monthly and annual basis. When we took over in early December of 2024, the holiday season was upon us, spirits were high and, thusly, *spirits* were pouring...so much so that I truly thought to myself, "Wow, owning a restaurant is easy." However, it wasn't until January, and more importantly, DRY January hit us, that I realized how important the sales of alcoholic beverages are to the sustainability of a small restaurant, and ultimately their success or untimely failure. As a new businessman, it is quite frightening how powerfully effective and financially damaging a FAD like dry January can be. And, although the sale of one drink won't affect a business, the lost sale of one drink, 45 times in a day, multiplied by 31 days in said month will. Based on the average cost of drinks in our establishment, our potential revenue loss in the month of January was roughly \$20,227.50. For a small restaurant owner just starting out, that kind of loss could be devastating...and to be honest it was eye-opening.

I mention this because I foresee the potential for similar damage caused by the proposed 8% tax on alcohol, both in restaurants and stores. An 8% tax on something (that has never been taxed before in this state) seems minute when considering a single beverage- a \$7 beer would merely be an additional \$.56 tacked on to the consumer's cost...however

when you factor in the annual consumption, both per person and for the state of Oregon as a whole, that number becomes staggering...so much so that I do not want to do the math. So much so that one could fully understand the desire and the draw on the part of the Oregon government for that to be added to the state's coffers.

Easy. Simple. A boon for Oregon. An eight percent bonus for the state budget on a multi-multi-billion dollar, previously untaxed, industry. Not so fast. Not so easy. Not so simple. One thing that I have noticed in 30 years in this industry, but especially the past seven years in this state-when you "unjustly" and "irresponsibly" raise the price of something that the consumer has been purchasing for "X amount" of years...that consumer will stop purchasing that product. What was initially perhaps considered a multi-million-dollar addition to the state's budget, intended, perhaps, for the greater good of Oregon, would weaken and potentially destroy Oregon's hospitality industry, liquor stores, beer industry and winemaking industry.

As a more recent example, as new owner of our pub, my business partner and I decided to raise the price of our "all day happy hour beers" on Mondays from \$4.50 a pint to \$5. Simple enough. A cleaner number on our books, and a tiny bit more profit to mitigate the rising costs of craft beer in the PNW. Wrong. A group of regulars who hadn't missed a "Miser Monday" in years...have not been seen since. Over 50 cents. Five dimes. Ten nickels. My business partner and I have, quite cavalierly, expressed that if these guys didn't want to pay the extra 50 pennies for a premium product, then they were not the customers that we wanted in our establishment. I'm still on the fence about that. But, imagine if you will, those four "miserly" customers are instead 4 million Oregon residents who are unwilling to do the same. Scary...

Are we (you) willing to risk the jobs and livelihood of millions of Oregonians for an 8% tax on paper that could prove to cripple an entire state's economic infrastructure? Is it worth it? The answer, plainly is a resounding "no." The benefits of the proposed tax will never be realized, because the will of the consumer is strong. And, when the state has realized that the repeal of the failed 8% makes more sense than the economic failure that it has caused, it could be too late. Lives ruined. Businesses bankrupt. Industries in shambles. And, a state's economy incredibly worse for the wear. There will be an attempt to revive the

industry with a kneejerk over correction, but that to will fail, costing the state of Oregon millions of more dollars to fix the wrong that it created.

Additionally, I feel that many feel it is very easy to target the hospitality, brewing and winemaking industry when it comes to regulations, taxes and changes. It is hard for me to imagine that a similar tax would even be considered on the sale of automobiles in the state of Oregon. Or books. Or, god forbid, sneakers and athletic wear. Those would never fly. So why is it okay to target us and our livelihood? Please know that the time of the hearing on Wednesday the 2<sup>nd</sup>, does not go unnoticed. Hmm...5pm-7pm.

As a veteran of this industry, a new restaurant owner and someone who enjoys the occasional (more than occasional) pint of beer and shot of whiskey after a long day of work, I urge you to reconsider this proposed tax.

Thank you,  
Brandon Epland