

Submitter: William Snyder

On Behalf Of:

Committee: Joint Committee On Addiction and Community Safety
Response

Measure, Appointment or Topic: HB3197

I [oppose House Bill 3197 because it would impose an 8% sales tax on wine, which would harm both Oregon consumers and our state's wine industry.

As a wine industry professional, I'm already facing rising costs due to inflation, supply chain challenges, and labor shortages. On top of that, looming tariffs on key supplies like glass, corks, and equipment threaten to make production even more expensive. This tax would only add to the financial strain and make it harder for Oregon wineries to stay competitive.

Oregon wineries contribute over \$7 billion to the state's economy and support thousands of jobs, but we've already lost over 60 wineries in the past two years. Raising prices on consumers through a regressive sales tax will only make it harder for our businesses to survive.

Additionally, in 2024, OWA Executive Director Jana McKamey and other beer, wine, and cider producers worked with Rep. Sanchez on a Governor-appointed task force to examine alcohol taxes and addiction services. The task force declined to recommend a tax increase, and 87.5% of public comments opposed increasing alcohol taxes.

It's also important to note that alcohol taxes are already the third-largest source of revenue for the state, yet only 3% of that revenue actually funds prevention and treatment. The rest goes to the General Fund. Before imposing a first-ever grocery and restaurant sales tax, lawmakers should ensure existing funds are used appropriately if youth addiction and recovery services are truly needed.

Furthermore, alcohol consumption is already declining across all categories, especially among younger generations. Taxing responsible consumers and small businesses is not the solution.