



April 2, 2025

Senator Floyd Prozanski, Representative Jason Kropf, and Members of the Joint Committee on Addiction and Community Safety Response
Oregon State Legislature
900 Court Street NE
Salem, Oregon 97301

Dear Co-Chairs Prozanski and Kropf and Members of the Joint Committee on Addiction and Community Safety Response:

Today, we write to oppose H.B. 3197, a proposal that would institute a massive 8% retail sales tax increase on beer, cider and wine products. We represent brewers, beer importers and industry suppliers of all sizes in Oregon.

The beer industry is an important economic contributor throughout the state of Oregon, employing more than 50,000 residents and contributing more than \$8.7 billion to the economy, including \$42.8 billion in paid wages and benefits for proud Oregonians. Oregon's retail and hospitality industries are important drivers of local jobs and economic growth. According to the Oregon Liquor and Cannabis Commission, 2.827 million barrels of malt beverage were subject to state excise tax of \$2.60 per 31-gallon barrel. The Beer Institute estimates that beer sales in the state of Oregon generated \$7.35 million of tax revenue in 2024.

If this proposal passes, Oregonians, local retailers and hospitality businesses state-wide will bear the brunt of this regressive tax proposal. Prices will, as a result, increase for residents – leading to product substitution to lower cost items and ultimately a decrease in expected revenue for the state. An 8% tax increase on the sale of beer, cider, and wine will ultimately saddle beverage manufacturers with an unexpected loss of sales that could result in brewers cutting jobs, reducing production, halting expansion efforts, or shuttering. Oregon has already seen more than 70 brewery, taproom and brewpub closures in the past two years.

The beer industry is essential to Oregon's economy and identity. We are proud to serve our brewers' products to residents and visitors across the state. The Beer Institute vehemently opposes an 8% tax increase on the sale of beer, which will only increase inflationary pressures on consumers, retailers, and manufacturers. We urge the Joint Committee on Addiction and Community Safety Response to take these points into consideration before instituting a tax hike of this nature. Thank you for your consideration on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Crawford". The signature is fluid and cursive, with a large initial "B" and a stylized "C" at the end.

Brian Crawford
President & CEO