

Submitter: Greg Soto

On Behalf Of:

Committee: Joint Committee On Addiction and Community Safety
Response

Measure, Appointment or Topic: HB3197

Oregon's craft beer industry is already facing significant challenges. Across the state—and the country—breweries are struggling, with many reducing production, laying off employees, or closing their doors entirely. Every month brings news of another brewery shutting down, and industry professionals fear more closures are on the horizon. Even for breweries like Breakside, which have managed to remain stable, the reality is that “flat is the new up.” Any progress made through operational efficiency, system improvements, or enhanced quality is quickly erased by shifting market trends and declining sales. Rather than feeling like we're growing, it feels as if we're treading water, just trying to stay afloat.

Adding a new retail sales tax on beer, wine, and cider through HB 3197 would only make survival harder for Oregon's craft beverage industry. Margins are already razor-thin, and the ongoing struggles in the hop and malting industries inevitably lead to increased costs for breweries. These costs eventually trickle down to consumers, making craft beer less accessible and discouraging sales.

We do not expect to become wealthy in this business—we do it because we love the craft, the community, and the joy that comes from sharing a well-made beer with friends and family. But we do hope to survive. HB 3197 threatens an industry that provides jobs, supports agriculture, and is an integral part of Oregon's culture. If we want to continue fostering the craft beer scene that has made Oregon famous, we must oppose this measure.

Instead of implementing a tax that could harm small businesses and local producers, we should explore alternative funding solutions that do not put additional pressure on an industry already fighting to stay alive.

For the sake of Oregon's craft breweries, its workers, and its beer-loving communities, we urge legislators to vote NO on HB 3197.