

# WILLAMETTE VALLEY

---

## VINEYARDS

### **Statement in Support of SB 587**

Willamette Valley Vineyards requests your support of SB 587A which would create an Oregon corporate excise and income tax subtraction for amounts received in the resolution of a civil action arising from wildfire. The measure also allows Oregon corporate excise and income tax subtractions for wildfire-related legal fees paid by plaintiffs.

This proposal is similar to SB 1520 which the Legislature approved last session to provide individual taxpayers a personal income tax subtraction for any amount received or settlement of a civil action arising from a wildfire. It too allowed taxpayers to a subtraction of legal fees incurred through wildfire litigation. The measure received overwhelming bipartisan support in both chambers and was signed by the Governor in acknowledgement of the widespread property damages caused by recent wildfires in Oregon.

Willamette Valley Vineyards supports this bill for several reasons. In the horrible wake of these recent wildfires, it makes good policy that Oregon should ensure that wildfire victims are not punished by being taxed on awards they receive for wildfire damages thereby allowing businesses to focus on survival, recovery and economic growth. The other reason is that Willamette Valley Vineyards and 35 other vineyards and wineries are involved in a lawsuit seeking over \$100 million of damages from PacificCorp as a result of the 2020 Labor Day fire.

Most of the damages stem from the smoke taint that wildfires can cause on vineyards. Smoke taint can affect the aroma, flavor and quality of the grapes and the process to remove the smoke is expensive. Further, it does not always work resulting in decreased harvest yields or no harvests at all. Similar to other plaintiffs in this case, Willamette Valley Vineyards suffered damaged grapes and reduced harvest yields which caused decreased wine sales and increased expenses dealing with the damages resulting in a loss in revenues and profits.

While it's hard to assess what the long-term impact of wildfires and smoke taint may be, the wine industry appreciates the support of the State Legislature which has provided funds to Oregon State University to research this issue and hopefully identify mitigating methods to deal with smoke taint on grapes. In the meantime, Willamette Valley Vineyards urges your support of SB 587A which would help Oregon businesses with the damages that have already occurred.

*Bill Cross, Director of Government & Community Affairs, Willamette Valley Vineyards*