

*From the Desk of* 



## **Please Support Passage of Senate Bill 112A: The Tonnage Tax Fairness Act**

**Dear Senators and Representatives,**

We strongly support passage of Senate Bill 112A. Now is the time to clarify Oregon's winegrape tonnage tax law to ensure there is a level playing field between Oregon producers and those outside the state. **The bill is focused on one critical element: the equitable collection of Oregon's 36 year-old wine grape tonnage tax from all purchasers of Oregon's prized winegrapes.**

SB 112A clarifies that out-of-state wineries buying Oregon winegrapes are required to pay half of the \$25/ton winegrape tax that funds the Oregon Wine Board's activities supporting our state's \$5.6 billion wine industry. This mirrors the tax due from every Oregon winery. The remaining \$12.50 is owed by Oregon winegrape growers.

Oregon represents only about 1% of U.S. wine production. The Oregon Wine Board therefore needs every tax dollar possible to promote our award-winning wines and support critical research so our grape growers and wineries can be competitive in a crowded marketplace. Out-of-state producers benefit from the work of the Oregon Wine Board and should be required to contribute their fair share. Otherwise out-of-state wineries are placed at a competitive advantage over Oregon wineries that are required to pay the tax.

According to the most recent annual Oregon Vineyard and Winery report, about 20% of the 2017 harvest was sold out of state. This represents an increase of 60% in just one year. If taxes had been paid on those tons as proposed in SB 112A, it could translate into an estimated \$400,000 collected by the OLCC on behalf of the Oregon Wine Board or about 20% of the total 2017 winegrape tax assessment. That infusion of new money would extend the impact of grape tax funds already collected from Oregon growers and winemakers in support of new scientific research projects, and marketing programming designed to expand market availability and fulfill increasing consumer demand for Oregon wines.

The growth of out-of-state winegrape sales underscores Oregon's exceptional quality reputation, and also highlights the urgent need to clarify this portion of the law.

Please support passage of Senate Bill 112A.

Sincerely,

The Undersigned



## Wineries and Vineyards in Support

 <p>UMPQUA VALLEY WINEGROWERS</p>	 <p>ROGUE VALLEY WINEGROWERS ASSOCIATION</p>	 <p>King Estate Family Owned &amp; Farmed</p>
<p>STOLLER WINE GROUP ESTABLISHED 1988</p> 	 <p>Jackson FAMILY WINES</p>	 <p>winderlea vineyard and winery</p>
<p>Phelps Creek VINEYARDS</p>	 <p>BRANDBORG VINEYARD &amp; WINERY</p>	 <p>DOMAINE SERENE</p>
<p>Abacela®</p>	 <p>ARGYLE</p>	 <p>Sokol Blosser Winery</p>
<p>Raptor Ridge WINERY</p>	 <p>KOOSAH FARM</p>	 <p>BROOKS Est. 1998 PEACE · BREAD · LAND · WINE</p>
 <p>Coeur de Terre VINEYARD Handcrafted - Organically Farmed - Artisanal Wines</p>	<p>Bethel Heights VINEYARD</p>	<p>L'Ecole 1877</p>
 <p>PONZI VINEYARDS</p>	<p>winemakers LLC INVESTMENT PROPERTIES</p>	<p>ERATH WINERY</p>
<p>LANGE ESTATE WINERY &amp; VINEYARDS</p> 	 <p>HAMACHER WINES</p>	 <p>CRISTOM VINEYARDS</p>



		
		
		
		
		
		
		
		
		





 <p><b>ROXYANN</b> WINERY</p>	<p><b>WILLAMETTE VALLEY</b> VINEYARDS</p>	 <p><i>Woolridge Creek</i> <b>VINEYARD</b></p>
 <p><b>HELIOTERRA</b></p>	<p><b>BELLE PENTE</b> VINEYARD &amp; WINERY</p>	 <p><b>SOUTH STAGE</b> CELLARS</p>
 <p><b>ABBNEY CREEK WINERY</b> NORTH PLAINS, OR</p>	 <p><b>IRVINE &amp; ROBERTS</b> VINEYARDS</p>	<p><b>GOSCHIE</b> FARMS</p>
<p><b>COROLLARY WINES</b> </p>	<p><b>HELVETIA</b>  <b>WINERY</b></p>	
 <p><b>YOUNGBERG HILL</b></p>	<p><u>Celestina Vineyard</u> <u>John Pratt</u></p>	<p><u>Holmes Gap Vineyard</u> <u>Jack LaRue</u></p>
<p><u>Umpqua Vineyards</u> <u>Bill and Elin Miller</u></p>	<p><u>Crawford Beck Vineyard</u> <u>David Beck</u></p>	<p><u>Bradshaw Vineyards</u> <u>Jim Bradshaw</u></p>