



NEW DEAL DISTILLERY, LLC

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To the Members of the Senate Finance Committee

I was told a long time ago, if you want to start a business, get a job. I founded New Deal in 2004, and for 17 years I've worked full time outside the distillery, while working over 30 hours a week at New Deal. We started in a 10' x 12' space and \$3500. By January of 2020 we employed 6 full-time employees, many part-time employees, with distribution in 7 other states and overseas. I believe in hard work, and committing resources and time for the chance to build a successful business.

Like my other distilling colleagues, we care about the community we live in and want to continue building local economies in Oregon. At New Deal, we are proud to produce whiskey from Oregon-grown rye, brandy from Hood River pears, and grain-to-glass vodka from eastern Oregon wheat. When Covid-19 began to spread, we stepped up to produce hand sanitizer at the request of various agencies and non-profits. Even though our futures were uncertain, Oregon distilleries answered the call to help.

In the best of times, like the small breweries and wineries who paved the way for craft products in Oregon, we need our tasting rooms to reach customers. Before we can become profitable, most of us spend many years building customers one at a time. But when we are small, the 33% take of revenue means our tasting rooms run at a loss. SB316 will allow small tasting rooms to reach a break-even, and invest more in our growth.

Prior to Covid-19, the Oregon distilling industry worked for three years to fix flaws in the current tax model for Distillery Retail Outlets. The Oregon legislature agreed, and our bill in the Feb. 2020 session passed the Ways and Means committee unanimously. When the last session was cut short, our bill was denied a floor vote. We are appreciative that Gov. Brown has included this policy change in her recommended budget for this session, and we asked for the support of the Finance Committee to complete this unfinished business.

SB316 would give small distilleries more tools and resources to grow, and become sustainable businesses. By passing SB 316, small distilleries will be better able to weather the current crisis, continue growth beyond the start-up phase and contribute to Oregon's economic recovery.

Best, Tom Burkleaux

Owner & Distiller
New Deal Distillery
Portland, Oregon