

Submitter: D Torres

On Behalf Of:

Committee: Joint Committee On Addiction and Community Safety
Response

Measure, Appointment or
Topic: HB3197

Chair & Committee Members,

I STRONGLY OPPOSE HB 3197 which is a tax on beer & wine that starts with a 2% tax on alcohol in 2026 and then increases to 8% in 2032. While I understand the intent to generate additional revenue, I believe this tax would have numerous adverse effects on our local economy, consumers, and small businesses that outweigh any potential benefits. In an already struggling economy where consumption is at a low currently, this tax would further harm Oregonians and businesses.

IMPACTS TO MIDDLE-CLASS

A tax on beer and wine would disproportionately impact middle-class families and individuals who enjoy these products responsibly. Beer and wine are widely consumed across our community, and many people see them as an affordable form of relaxation or celebration. Imposing additional financial burdens on these everyday products will disproportionately affect low- and middle-income individuals, who are already facing rising costs of living.

IMPACTS SMALL BUSINESSES

This tax could result in negative consequences for small businesses, especially local bars, restaurants, and liquor stores, which rely heavily on the sale of beer and wine. These businesses are already struggling due to the economic challenges posed by the ongoing pandemic and inflation. A tax would only drive up costs for consumers, potentially decreasing demand and harming the local economy. In some cases, it may even result in job losses within the food and beverage industry.

LEADS TO ADDITIONAL TAXES ON GOODS

I would urge you to consider the precedent this tax sets. Once a tax is imposed on one product, it often leads to the introduction of similar taxes on other goods, which can quickly spiral into a broader tax burden on the general public. Consumers may begin to feel the financial strain of higher costs on everyday goods, further hurting household budgets and reducing disposable income, which could, in turn, negatively affect local economies.

While I recognize that taxes on alcohol can be seen as a way to promote health by discouraging excessive consumption, this should not be used as a means to penalize responsible consumers who drink in moderation. There are other, more targeted

approaches to addressing public health concerns, such as education campaigns and programs aimed at responsible drinking, which would be more effective and less damaging to the economy.

In conclusion, I ask that you reconsider the proposed beer and wine tax. It is crucial to find solutions that do not unduly burden responsible consumers or harm small businesses. I urge you to explore alternatives that protect both our community's economic stability and the interests of our residents rather than harm them.

VOTE NO TO THIS BILL!