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Legislature introduces bill to increase wine tax by astronomical 1700 percent

The Oregon Wine Council joins Oregon's prized beer, wine and spirits industries in strongly opposing this extreme proposal.

Salem, Ore. – The legislature today introduced House Bill 3296, which would increase taxes on Oregon wine by nearly 1700 percent, giving Oregon the highest wine, beer and spirits taxes in the nation. The bill would also increase taxes on beer and cider by nearly 2800 percent. HB 3296 would increase wine taxes from 65 cents to \$10.65 per gallon. Based on rough estimates, this would increase the cost of every bottle of wine sold in Oregon by more than two dollars.

“The idea of increasing the tax on small, local wineries that provide important jobs and tourism revenue to the state when we are just beginning to approach recovery from the current economic crisis is incomprehensible, let alone an increase of nearly 1700 percent,” Sam Tannahill, Founder and Winegrower at A to Z Wineworks and Rex Hill winery, said. “As written, this proposal would potentially force most of Oregon’s prized wineries to simply shut down, as they would be unable to sustain their operations with this drastic of a tax increase.”

Oregon already has some of the highest alcohol prices in the country and polling has shown that 74 percent of Oregonians [oppose](#) increasing taxes on beer, wine, cider and spirits.

“It is unfathomable to think that now is an appropriate time to increase any tax on one of Oregon’s homegrown industries that has suffered the most during the COVID-19 pandemic, let alone one of this magnitude,” Scott Kelley, Owner and Winemaker at Paul O’Brien Winery, said.

Prior to the pandemic, Oregon was home to more than 900 wineries, many of which faced significant losses over the last year due to the state mandated closures and restrictions related to COVID-19, as well as the devastating, unprecedented wildfires that ravaged the state in September. Estimates have shown that wine tasting room sales declined during the pandemic by an estimated 80 percent, a three billion dollar loss, while smaller wineries relying on tasting room and restaurant sales lost more than 60 percent of their revenue due to COVID-19 closures.

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About the Oregon Wine Council

The Oregon Wine Council is a statewide association representing growers, producers and businesses supporting Oregon’s thriving wine industry. Today the OWC represents over fifty percent of Oregon wine grapes grown, produced and sold. The OWC’s mission is to protect, strengthen, unify and represent the entire Oregon wine and grape industry through strong leadership for the benefit of current and future Oregon winegrowers.