



## **DISTILLED SPIRITS COUNCIL OF THE UNITED STATES**

May 18, 2023

OLCC Surcharge Testimony

Mr. Chairman, Commissioners, I am Adam Smith with the Distilled Spirits Council. DISCUS is opposed to an additional surcharge on spirits containers.

The spirits industry in Oregon supports more than 19,000 jobs and \$2 billion in economic impact. It also directly impacts the more than 75 Oregon distillers that support tourism, local agriculture and state revenues.

The distilled spirits industry is fully supportive of evidence-based solutions that help prevent alcohol abuse, but raising taxes is not one of those solutions. The price increase would harm responsible spirits consumers, businesses, and Oregon's workforce, without addressing alcohol abuse.

Now is not the time to impose higher fees on the Oregon hospitality industry, where employment is still down by 11,000 jobs compared to pre-pandemic levels.

Raising taxes on beverage alcohol does not deter abusers for whom taxes are of little concern, but penalizes responsible beverage alcohol consumers and hospitality businesses, while eliminating tax revenues and jobs.

Oregon restaurants and agency stores are projected to see a decline of nearly \$40 million in revenue per year if this additional tax is approved, resulting in over 450 lost jobs.

Consumers of distilled spirits should not have to bear such a heavy tax burden. I respectfully ask that you not approve an additional tax on consumers and businesses.