



House Finance Committee
Washington State House of Representatives
John L. O'Brien Building
P.O. Box 40600
Olympia, WA 98504-0600

RE: Opposition to House Bill 2079 – Alcohol Excise Tax Increases

Dear Chair and Members of the House Finance Committee,

On behalf of the American Cider Association (ACA) and the network of cider producers we represent across the state of Washington. I am writing to express our strong opposition to the proposed House Bill 2079. The proposed increase of \$0.2128/gal would create a total new tax rate of \$0.5208/gal, or a 69% increase, creating a compounding and disproportionate financial strain on cider producers.

This tax structure, if enacted, will be particularly harmful to small and mid-sized cideries that operate with limited resources and tight profit margins. Unlike many large-scale beer and wine producers, cideries are often small, independent operations rooted in agricultural communities. Many rely on heirloom and cider-specific apple and pear varieties grown in-state. Increasing taxes on cider would directly undermine the growth and sustainability of these businesses and the farming operations they support.

Washington's cider industry is deeply intertwined with the state's agricultural heritage. The more than 100 cider makers across the state depend on local orchards and are vital contributors to rural economies, agritourism, and sustainable land use generating approximately \$300 million in economic impact within Washington state alone (NWCA 2021). At a time when farmers and small beverage producers are facing increasing challenges from inflation, labor shortages, and market consolidation, it is counterproductive to impose additional financial strain through elevated excise taxes. These proposed changes may also discourage long-term investments in orchard-based cider production, which requires years of planning and upfront capital before trees begin to bear fruit.

Accordingly, the American Cider Association urges the Finance Committee to **reject the proposed excise tax increases across all alcohol categories**, not just cider. A unified approach is critical to ensuring that the entire craft beverage sector—cider, beer, wine, and beyond—can continue to grow, innovate, and support Washington jobs, farms, and communities.

We stand ready to work collaboratively with lawmakers, other industry groups, and state agencies to develop policy that strengthens—not burdens—this vital economic ecosystem. Please do not hesitate to contact me with any questions.

Thank you for considering our concerns. We hope the legislature will choose to support Washington's cider producers and the local farmers they rely on by rejecting these tax increases.

Sincerely,

Monica Cohen

Chief Operating Officer

American Cider Association

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