



March 17, 2026

Dear House Health and Human Services Committee members,

We write in opposition to HB26-1271 and HB26-1301, which would raise the cost of beer, wine, cider and spirits on Coloradans already stretched thin. The last thing these homegrown businesses and our customers need are tax increases.

Local businesses are facing the most challenging economic conditions in generations and alcohol sales are down. As a result, we've seen record business closures. With razor-thin margins already, more breweries, wineries, cideries, distilleries, restaurants and bars will be forced to shutter, lay off workers or pass the 160% tax increase along to our customers when affordability is a top priority for Coloradans.

Colorado already receives nearly \$60 million in revenue from alcohol taxes, yet it all goes to the general fund. This excise tax is on top of all the other taxes our businesses pay. But unlike other Colorado businesses, we pay additional taxes for the privilege of being in the alcohol industry. Before increasing our taxes, lawmakers should fully utilize significant existing alcohol tax revenue for drug addiction and recovery services.

Additionally, the state recently received \$788 million in opioid settlement funds for the next 17 years. That is a steady stream of addiction and recovery resources already being used to fund new facilities and services. Several million dollars have already been dispersed to counties for youth addiction prevention, street intervention programs to get people into treatment, and to recovery clinics. The communities of [Arapahoe](#), [El Paso](#), [Colorado Springs](#), [Jefferson](#) and [Adams](#), just to name a few, are already benefiting. These communities that many of you represent are seeing an influx of addiction and recovery funds. And millions of dollars are also available through the federal government in grants from the Substance Abuse and Mental Health Services Administration. Finally, according to the U.S. Centers for Disease Control's annual Youth Risk Behavior Survey, the trend of American teens drinking less continues, declining almost 15% in the past three years to some of the lowest levels ever recorded.

HB26-1271 would create three "enterprise fees," which are just another phrase for taxes, increasing the existing alcohol excise tax rate by 60% overall, with the possibility of going up to a 100% increase to generate up to \$60 million more in state alcohol tax revenue. By calling this a "fee," the legislature is circumventing Colorado's constitution and the will of Colorado voters by trying to implement what is clearly a tax without approval. We know alcohol taxes are deeply unpopular with 70% of Coloradans saying they oppose the idea because it will harm the economy and tourism.

HB26-1301 would increase existing alcohol tax rates by 100%. At least this bill is honest by calling it a tax that would then go to voters on a ballot. But the bills combined would mean at least a 160% tax increase. This will kill small businesses and jobs, resulting in overall less economic activity and revenue for the state.

Since the pandemic, Colorado has lost nearly 200 breweries, brewpubs and taprooms, and beer sales were down -6% last year according to Colorado's Liquor Enforcement Division, worse than the national average -5%. Despite these record closures and down sales, Colorado remains the most beer-job dependent state in the nation with 1 out of every 475 jobs generated by beer. These remaining 415 breweries help create 61,000 jobs, \$4 billion in wages each year and contribute \$1.3 billion in taxes and \$13.1 billion in economic activity for the state annually. The Beer Institute estimates a 160% tax increase on these job creators will result in the loss of more than 500 beer jobs, a \$31

million reduction in wages and the overall Colorado economy would contract by \$108 million – and that’s just the impact on beer.

Colorado’s more than 100 distilleries help support 41,000 jobs generating \$5.1 billion in economic activity for the state. Overall, sales are down 2% and the Distilled Spirits Council of the U.S. estimates HB26-1271 would result in the elimination of 900 Colorado jobs and HB26-1301 would result in another 1,500 gone.

Our 170 wineries and 750 acres of vineyards support the livelihoods of more than 30,000 Coloradans and generate more than \$1.8 billion in wages, \$873 million in taxes and \$5.7 billion in economic activity for the state. Nationally, wine sales were down 10% in 2025. While Colorado wine is gaining notoriety, lawmakers shouldn’t increase barriers on a growing sector for the state when so many others are contracting because of unprecedented headwinds.

Colorado’s beer, wine, cider and spirits producers, our workers and allied hospitality partners who supply the industry stand strongly united in opposition to these bad bills. Our products and businesses are an essential part of Colorado’s economy, identity, and culture. We are proud of what the industry contributes to our communities. Don’t make it harder for us to continue to contribute to our communities during these economically challenging times. Please oppose both HB26-1271 and HB26-1301, a combined massive 160% tax increase, that will kill jobs, causing a ripple effect through our small businesses, our local economies and our citizens’ wallets.

Thank you for the opportunity to express our collective concerns.

Respectfully submitted on behalf of:

American Cider Association  
American Craft Spirits Association  
American Distilled Spirits Alliance  
Anheuser-Busch  
Beer Institute  
Boston Beer  
Brewers Association  
Colorado Beer Distributors Association  
Colorado Beverage Coalition  
Colorado Brewers Guild  
Colorado Distillers Guild  
Constellation Brands  
Distilled Spirits Council of the U.S.  
Haykin Family Cider  
Heineken  
Mark Anthony Brands Inc.  
Molson Coors Beverage Company  
New Belgium Brewing

Sauvage Spectrum Estate Winery & Vineyard  
Wilding Brands  
Wine Institute