

Konrad Jackson

From: Paul Jeanne Wheeler Kitayama <hainesbrew@gmail.com>
Sent: Wednesday, March 02, 2016 6:43 PM
To: House Labor and Commerce
Subject: opposing HB 248

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To the House Labor & Commerce Committee,

I am writing to urge you to oppose HB 248, which will have a significant negative impact to the rapidly growing craft beer, winery, and distilling industries in Alaska, that have boosted many local communities.

As owners of the Haines Brewing Company, we have great concerns with the HB 248 proposal to *double* the state alcohol tax. Running a successful business in a small rural community, particularly a manufacturing business such as a craft brewery, already includes the economic burdens of availability and shipping costs of heavy raw materials coming in and final products going out. With a small population, we are working with a small profit margin to produce a product that we are proud of. The additional taxes proposed by HB 248 only work against economic development in Alaskan communities.

We are not convinced that increasing our alcohol taxes is the answer to curing alcohol abuse in our state. The Brewers Guild of Alaska's mission is to educate consumers about quality (not quantity of) craft brews, and to support our local communities. Alaska law already regulates and supports this concept by limiting our retail consumption on premise to 36 ounces/person/day.

Small craft breweries such as ours are based on community support. Each of these local breweries gains hometown loyalty and that sense of community ownership. This summer in Haines, we moved from our 600 square foot brewery, to a brand new beautiful 3,000 square foot building on Main Street, thanks to the muscle power of many to move the heavy equipment. Once the building was up, community folks were thrilled and optimistic that Haines is finally progressing with the Downtown Revitalization movement. In addition to local media coverage, an Anchorage TV station reporter was so impressed with community support that she aired a feature report on our move.

This kind of community support has spurred our Borough government to now work on an economic property tax incentive to further encourage business development. State statute allows these types of incentives for the same reasons that we are asking you now to help, not hinder small businesses in Alaska.

Again, we urge you to oppose HB 248. Thank you for considering our concerns.

Sincerely,

Jeanne Kitayama & Paul Wheeler, owners

Haines Brewing Company, Inc.

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