



DISTILLED SPIRITS COUNCIL
OF THE UNITED STATES

March 18, 2026

From:
Ainsley Giglierano
Vice President of Public Affairs and State Policy
Distilled Spirits Council of the United States

Dear Honorable Members of the House Health & Human Services Committee,

This testimony is submitted on behalf of the Distilled Spirits Council of the United States (DISCUS), a national trade association representing producers and marketers of distilled spirits including members here in Colorado. Thank you for the opportunity to provide testimony in opposition to HB 1301, which would double Colorado's current excise tax rate on alcohol products harming hospitality businesses and their consumers.

Colorado's distilled spirits industry is already operating under severe economic pressure. Inflation, rising operational costs, tariffs, record closures and a sustained decline in consumer spending have left many businesses struggling simply to stay open. A 100% increase in the excise tax rate on alcohol would further destabilize an industry that is both economically significant and deeply woven into Colorado's communities.

The economic consequences of HB 1301 are substantial. Our analysis shows this proposal would eliminate approximately 1,500 Colorado jobs and reduce retail sales by more than \$105 million as responsible consumers reduce purchases in response to higher prices. These losses would be felt most acutely by producers, bars, restaurants, retailers and distributors – many of whom are small businesses with narrow margins – and ultimately consumers. Importantly, this reduction in sales would also undermine the bill's stated revenue goals.

The alcohol industry is already a major contributor to Colorado's economy. The spirits sector alone generates more than \$5.1 billion in economic activity, and when beer, wine and cider are included, the industry contributes more than \$22 billion annually to the state economy. Tax policy that suppresses this level of economic activity risks shrinking—not strengthening—Colorado's revenue base.

It is also critical to recognize that nearly 43% of the price of a typical spirits bottle already goes toward taxes and fees. Doubling the excise tax would place an even greater burden on responsible adult consumers and the hospitality businesses that serve them at a time when affordability is already a serious concern.

Public sentiment reflects this concern. When presented with similar tax increase proposals and the impact on Colorado's hospitality businesses, a poll of Colorado consumers found that 70% oppose a tax increase on alcohol. Voters understand that these taxes are ultimately paid by consumers and local businesses and that the economic consequences ripple far beyond the point of sale.

It is worth noting that the alcohol industry has a long-standing commitment to responsibility. The majority of our members actively support efforts to prevent underage drinking, eliminate drunk driving, and promote responsible consumption through their work with our sister organization, Responsibility.org.

We respectfully ask the committee to vote "NO" on HB 1301 in support of struggling hospitality businesses and the consumers they serve. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Ainsley Giglierano". The signature is written in a cursive style and is positioned above a horizontal line.

Ainsley Giglierano
Vice President of Public Affairs & State Policy
Distilled Spirits Council of the United States



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



WRITTEN TESTIMONY IN OPPOSITION

House Bill 26-1301

Concerning the Taxation of Certain Harmful Substances

House Committee on Health & Human Services

Submitted by: Shawnee Adelson

Title and Organization: Executive Director, Colorado Brewers Guild

On behalf of: Colorado Brewers Guild and its 400+ member breweries

Madame Chair and Members of the Committee:

My name is Shawnee Adelson, and I serve as Executive Director of the Colorado Brewers Guild, the statewide trade association representing more than 400 craft breweries across Colorado. I write to you today in respectful opposition to House Bill 26-1301.

We want to begin by acknowledging that the sponsors, Representative Marshall and Senator Amabile, are to be commended for pursuing a solution through the appropriate democratic process. We are supportive of referring this measure to the voters of Colorado rather than imposing it through legislative action alone.

Our opposition is not to the goal of expanding mental health infrastructure. It is to the burden it would place on Colorado's craft brewing industry to support a single hospital that much of the state may not have access to.

Who We Are

Colorado's craft brewing industry is one of the state's most distinctive economic success stories, due in large part to the supportive laws this body has enacted. Colorado's craft breweries collectively employ tens of thousands of Coloradans, support hundreds of millions of dollars in annual economic activity, and contribute to the agricultural, tourism, and hospitality sectors in communities across the state.

The vast majority of Colorado's breweries are small, independent, locally owned businesses operating on thin margins. In the last six years, they have experienced unheard inflationary pressures on all of their costs of goods, while at the same time sales are declining. Since the beginning of 2024, Colorado has seen over 100 breweries

close and I hear from our owners every day about their financial struggles to keep their employees paid and their doors open. State excise tax records show that in 2024 beer sales were their lowest per capita since before 2016 (the furthest back LED records go) and in the first six months of 2025, all beer sales in Colorado were down over 6%.

Our Concerns with HB26-1301

1. This Is a Statewide Tax for a Single-Location Facility

HB26-1301 proposes to raise taxes on every Colorado consumer who purchases a beer, glass of wine, or a cocktail to fund a single facility located in the Denver metro area. A craft brewery customer in Glenwood Springs, Steamboat Springs, or Cortez will pay this tax with no meaningful prospect of benefiting from the Colorado Mental Health Institute at Aurora, which will serve patients primarily in the Front Range region.

A statewide excise tax that funds a single-location institution raises serious questions of equity. If Colorado needs a mental health institute in Aurora, that is a legitimate infrastructure need, but the funding mechanism should reflect the statewide public benefit, not rely disproportionately on consumers in communities that will see little to no direct access to the facility being built.

We recognize that if there is leftover money, it would go to a facility in Mesa County, but it does not guarantee that funding.

2. The Capital Development Committee Has Already Declined to Recommend This Bill

The Colorado Capital Development Committee voted unanimously last week to not recommend HB26-1301 to this committee. The Capital Development Committee plays a critical oversight role in evaluating proposed uses of the capital construction fund, and its unanimous rejection of this bill is a significant signal that warrants this committee's attention. Under the bill's own terms, appropriations from the Hospital Support Account for construction of the institute require Capital Development Committee approval before they can be authorized.

3. Colorado Voters Do Not Want an Increased Alcohol Tax

Polling of voters in 2024 showed that a majority of Coloradans do not want to see an increase in their taxes on alcohol. Sentiment on general alcohol taxes showed that almost 50% opposed them and only 23% supported them. When given more details on how funds will be spent or the impact these taxes will have on small breweries and brewpubs around the state, the opposition only increased. A ballot measure is a costly endeavor and given the polling, the committee should consider if this is a worthwhile investment.

We thank the sponsors for their commitment to addressing Colorado's mental health infrastructure needs through a democratic, voter-referred process. But given the above concerns, we ask that you vote no on HB26-1301.

Respectfully submitted,

Shawnee Adelson

Executive Director

Colorado Brewers Guild



March 13, 2026

Colorado General Assembly
House Health & Human Services Committee
via Assembly Portal

RE: Oppose CO HB 26–1301 – Hospital Funding (taxing alcohol)

Dear Chair Gilchrist, Vice Chair Lieder, and Members of the Health & Human Services Committee,

The American Distilled Spirits Alliance (ADSA) is a specialty trade association representing member companies with common interests in manufacturing, importing, and marketing of distilled spirits products in the United States. ADSA members produce roughly sixty percent of all distilled spirits sold in the U.S. Previously known as the Presidents' Forum of the Distilled Spirits Industry, ADSA traces its history back over 40 years. ADSA members range from global companies with well-known brands to iconic family-owned distillers and vintners.

We have reviewed House Bill 26-1301 - a 100% increase in alcohol excise taxes - and must oppose.

States do not often align specific industry tax revenues with related expenditures. We note that this bill attempts to do just that with the potential new tax revenues raised from doubling the current excise tax on alcohol being largely dedicated to two health care facilities in Colorado.

We fully appreciate the benefits a hospital and health care facility brings to a community. Beyond local skilled jobs and supporting local businesses, such facilities provide immediate access to essential care, an array of health care providers, supports residents' long-term health by offering both preventative and emergency services and improves overall quality of life.

That said, the entire hospitality industry, including sales and consumption of alcoholic beverages, remains under intense economic pressure. Over the last several years, numerous breweries, wineries, cideries, and distilleries have shuttered - taking jobs, local tax base and a sense of community with them. We urge lawmakers to work with industry and seek out every opportunity to support, not hinder, this business sector so vital to every community throughout the state.

We also appreciate that the bill's primary sponsor agrees that an increase in taxes, beverage alcohol taxes in the case of HB 26-1301, must be referred to the voters. While we oppose the bill, we thank the sponsors for that clarity.

We look forward to reviewing the Fiscal Note when it becomes available to better understand the fiscal impacts of this bill. Regardless, CO HB 26-1301 could ultimately result in higher alcohol prices and would surely be viewed as an unpopular additional tax on your constituents, 58% of whom opposed an increase in alcohol excise taxes in a 2024 industry survey on Colorado alcohol taxes.

INFO@AMERICANDISTILLEDSPIRITS.ORG
AMERICANDISTILLEDSPIRITS.ORG



Colorado lawmakers, and voters, should expect that current tax collections from all consumable intoxicating products are aligned around addiction, treatment and prevention services first. And legally purchased alcohol should not have to carry the heaviest burden of higher taxes when the State of Colorado promotes more and more potentially addictive products that are not in the category of alcohol, nor taxed as heavily.

Moreover, a recent media report by *The Denver Post – Flawed Analysis Caused Colorado Medicaid Program Costs to Surge and Made it Attractive to Fraud (February 12, 2026)* – details three years of payments to providers that ‘ballooned to over \$300 million a year – more than quadruple ...’ the previous annual cost. The article also references ‘At least \$25 million was lost to fraud...’.

These are troubling headlines if trying to convince taxpayers of the need to double their beer, wine, cider and spirits taxes. Rooting out such mis-applied payments and mistaken billing, let alone outright waste, fraud and abuse, would go a long way to fund the hospital and health care facilities identified in this bill. Another option is dedicating an ongoing portion of the \$788 million that Colorado will receive from the national opioid settlement payable over a period of seventeen years.

In closing, while the beverage alcohol industry fully supports evidence-based solutions to combat alcohol and other substance abuse, higher taxes and ever higher prices may not achieve this goal. This proposed tax referral would eventually penalize responsible alcohol consumers and is blatantly regressive among household incomes at a time when all Coloradans are focused on affordability.

We respectfully request that you oppose HB 26-1301. However, should the bill move forward, we appreciate that citizens and voters would have the final say.

Sincerely,

Tom Perrick
National Director
State Government Affairs

cc: Representative Bob Marshall
Senator Judy Amabile



March 17, 2026

TO: Rep. Bob Marshall & Members of the House Health & Human Services Committee

FROM: Micki Hackenberger
Executive Director
Wine & Spirit Wholesalers of Colorado

Thank you for the opportunity to provide input on House Bill 26-1301. I am submitting this letter on behalf of the Wine & Spirit Wholesalers of Colorado. Our association represents businesses, known as wholesalers or distributors, responsible for the safe, regulated distribution of wine and spirits across the state. We take seriously our role in Colorado's alcohol marketplace and our responsibility to the consumers and communities we serve.

We want to be clear at the outset: we are not here today to debate the broader policy questions surrounding alcohol taxation. Those are important discussions, and they have been—and will continue to be—considered by policymakers, stakeholders, and the public. Instead, our position is grounded in a longstanding principle.

For years, our organization has consistently maintained that if the state seeks to increase alcohol excise taxes, such increases should be presented transparently to Colorado voters for approval, rather than implemented indirectly through fees.

House Bill 26-1301 reflects that principle. By referring the question to voters, this legislation respects Colorado's strong tradition of taxpayer involvement and aligns with the intent of the Taxpayer's Bill of Rights. It ensures that any decision to increase alcohol-related taxes is made openly and with direct public consent.

We believe this approach promotes transparency, accountability, and public trust—values that are essential when considering changes that affect consumers, businesses, and the broader economy. Accordingly, while we are not taking a position on the underlying tax policy itself, we are not opposed to HB 26-1301 because it follows the proper process.

Thank you for your time and consideration. I am happy to answer any questions so please feel free to contact me at 303 437 4452.