
HOUSE BILL 2204

State of Washington 52nd Legislature 1991 1st Special Session

By Representatives R. King and Bowman.

Read first time June 10, 1991. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the tax rate on the sale of spirit coolers; and
2 amending RCW 66.04.010 and 82.08.150.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 66.04.010 and 1987 c 386 s 3 are each amended to read
5 as follows:

6 In this title, unless the context otherwise requires:

7 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
8 oxide of ethyl, or spirit of wine, which is commonly produced by the
9 fermentation or distillation of grain, starch, molasses, or sugar, or
10 other substances including all dilutions and mixtures of this
11 substance. The term "alcohol" does not include alcohol in the
12 possession of a manufacturer or distiller of alcohol fuel, as described
13 in RCW 66.12.130, which is intended to be denatured and used as a fuel
14 for use in motor vehicles, farm implements, and machines or implements
15 of husbandry.

1 (2) "Beer" means any malt beverage or malt liquor as these terms
2 are defined in this chapter.

3 (3) "Brewer" means any person engaged in the business of
4 manufacturing beer and malt liquor.

5 (4) "Board" means the liquor control board, constituted under this
6 title.

7 (5) "Club" means an organization of persons, incorporated or
8 unincorporated, operated solely for fraternal, benevolent, educational,
9 athletic or social purposes, and not for pecuniary gain.

10 (6) "Consume" includes the putting of liquor to any use, whether by
11 drinking or otherwise.

12 (7) "Dentist" means a practitioner of dentistry duly and regularly
13 licensed and engaged in the practice of his profession within the state
14 pursuant to chapter 18.32 RCW.

15 (8) "Distiller" means a person engaged in the business of
16 distilling spirits.

17 (9) "Druggist" means any person who holds a valid certificate and
18 is a registered pharmacist and is duly and regularly engaged in
19 carrying on the business of pharmaceutical chemistry pursuant to
20 chapter 18.64 RCW.

21 (10) "Drug store" means a place whose principal business is, the
22 sale of drugs, medicines and pharmaceutical preparations and maintains
23 a regular prescription department and employs a registered pharmacist
24 during all hours the drug store is open.

25 (11) "Employee" means any person employed by the board, including
26 a vendor, as hereinafter in this section defined.

27 (12) "Fund" means 'liquor revolving fund.'

28 (13) "Hotel" means every building or other structure kept, used,
29 maintained, advertised or held out to the public to be a place where
30 food is served and sleeping accommodations are offered for pay to

1 transient guests, in which twenty or more rooms are used for the
2 sleeping accommodation of such transient guests and having one or more
3 dining rooms where meals are served to such transient guests, such
4 sleeping accommodations and dining rooms being conducted in the same
5 building and buildings, in connection therewith, and such structure or
6 structures being provided, in the judgment of the board, with adequate
7 and sanitary kitchen and dining room equipment and capacity, for
8 preparing, cooking and serving suitable food for its guests: PROVIDED
9 FURTHER, That in cities and towns of less than five thousand
10 population, the board shall have authority to waive the provisions
11 requiring twenty or more rooms.

12 (14) "Imprisonment" means confinement in the county jail.

13 (15) "Liquor" includes the four varieties of liquor herein defined
14 (alcohol, spirits, wine and beer), and all fermented, spirituous,
15 vinous, or malt liquor, or combinations thereof, and mixed liquor, a
16 part of which is fermented, spirituous, vinous or malt liquor, or
17 otherwise intoxicating; and every liquid or solid or semisolid or other
18 substance, patented or not, containing alcohol, spirits, wine or beer,
19 and all drinks or drinkable liquids and all preparations or mixtures
20 capable of human consumption, and any liquid, semisolid, solid, or
21 other substance, which contains more than one percent of alcohol by
22 weight shall be conclusively deemed to be intoxicating. Liquor does
23 not include confections or food products that contain one percent or
24 less of alcohol by weight.

25 (16) "Manufacturer" means a person engaged in the preparation of
26 liquor for sale, in any form whatsoever.

27 (17) "Malt beverage" or "malt liquor" means any beverage such as
28 beer, ale, lager beer, stout, and porter obtained by the alcoholic
29 fermentation of an infusion or decoction of pure hops, or pure extract
30 of hops and pure barley malt or other wholesome grain or cereal in pure

1 water containing not more than eight percent of alcohol by weight, and
2 not less than one-half of one percent of alcohol by volume. For the
3 purposes of this title, any such beverage containing more than eight
4 percent of alcohol by weight shall be referred to as "strong beer."

5 (18) "Package" means any container or receptacle used for holding
6 liquor.

7 (19) "Permit" means a permit for the purchase of liquor under this
8 title.

9 (20) "Person" means an individual, copartnership, association, or
10 corporation.

11 (21) "Physician" means a medical practitioner duly and regularly
12 licensed and engaged in the practice of his profession within the state
13 pursuant to chapter 18.71 RCW.

14 (22) "Prescription" means a memorandum signed by a physician and
15 given by him to a patient for the obtaining of liquor pursuant to this
16 title for medicinal purposes.

17 (23) "Public place" includes streets and alleys of incorporated
18 cities and towns; state or county or township highways or roads;
19 buildings and grounds used for school purposes; public dance halls and
20 grounds adjacent thereto; those parts of establishments where beer may
21 be sold under this title, soft drink establishments, public buildings,
22 public meeting halls, lobbies, halls and dining rooms of hotels,
23 restaurants, theatres, stores, garages and filling stations which are
24 open to and are generally used by the public and to which the public is
25 permitted to have unrestricted access; railroad trains, stages, and
26 other public conveyances of all kinds and character, and the depots and
27 waiting rooms used in conjunction therewith which are open to
28 unrestricted use and access by the public; publicly owned bathing
29 beaches, parks, and/or playgrounds; and all other places of like or

1 similar nature to which the general public has unrestricted right of
2 access, and which are generally used by the public.

3 (24) "Regulations" means regulations made by the board under the
4 powers conferred by this title.

5 (25) "Restaurant" means any establishment provided with special
6 space and accommodations where, in consideration of payment, food,
7 without lodgings, is habitually furnished to the public, not including
8 drug stores and soda fountains.

9 (26) "Sale" and "sell" include exchange, barter, and traffic; and
10 also include the selling or supplying or distributing, by any means
11 whatsoever, of liquor, or of any liquid known or described as beer or
12 by any name whatever commonly used to describe malt or brewed liquor or
13 of wine, by any person to any person; and also include a sale or
14 selling within the state to a foreign consignee or his agent in the
15 state.

16 (27) "Soda fountain" means a place especially equipped with
17 apparatus for the purpose of dispensing soft drinks, whether mixed or
18 otherwise.

19 (28) "Spirit cooler" means a diluted spirit that does not exceed
20 six percent alcohol content by volume and is sold exclusively in
21 Washington state liquor stores and agencies.

22 (29) "Spirits" means any beverage which contains alcohol obtained
23 by distillation, including wines exceeding twenty-four percent of
24 alcohol by volume.

25 (~~(29)~~) (30) "Store" means a state liquor store established under
26 this title.

27 (~~(30)~~) (31) "Tavern" means any establishment with special space
28 and accommodation for sale by the glass and for consumption on the
29 premises, of beer, as herein defined.

1 (~~(31)~~) (32) "Vendor" means a person employed by the board as a
2 store manager under this title.

3 (~~(32)~~) (33) "Winery" means a business conducted by any person for
4 the manufacture of wine for sale, other than a domestic winery.

5 (~~(33)~~) (34) "Domestic winery" means a place where wines are
6 manufactured or produced within the state of Washington.

7 (~~(34)~~) (35) "Wine" means any alcoholic beverage obtained by
8 fermentation of fruits (grapes, berries, apples, et cetera) or other
9 agricultural product containing sugar, to which any saccharine
10 substances may have been added before, during or after fermentation,
11 and containing not more than twenty-four percent of alcohol by volume,
12 including sweet wines fortified with wine spirits, such as port,
13 sherry, muscatel and angelica, not exceeding twenty-four percent of
14 alcohol by volume and not less than one-half of one percent of alcohol
15 by volume. For purposes of this title, any beverage containing less
16 than fourteen percent of alcohol by volume when bottled or packaged by
17 the manufacturer shall be referred to as "table wine," and any beverage
18 containing alcohol in an amount equal to or more than fourteen percent
19 by volume when bottled or packaged by the manufacturer shall be
20 referred to as "fortified wine." However, "fortified wine" shall not
21 include: (a) Wines that are both sealed or capped by cork closure and
22 aged two years or more; and (b) wines that contain fourteen percent or
23 more alcohol by volume solely as a result of the natural fermentation
24 process and that have not been produced with the addition of wine
25 spirits, brandy, or alcohol.

26 This subsection shall not be interpreted to require that any wine
27 be labeled with the designation "table wine" or "fortified wine."

28 (~~(35)~~) (36) "Beer wholesaler" means a person who buys beer from
29 a brewer or brewery located either within or beyond the boundaries of

1 the state for the purpose of selling the same pursuant to this title,
2 or who represents such brewer or brewery as agent.

3 ((+36+)) (37) "Wine wholesaler" means a person who buys wine from
4 a vintner or winery located either within or beyond the boundaries of
5 the state for the purpose of selling the same not in violation of this
6 title, or who represents such vintner or winery as agent.

7 **Sec. 2.** RCW 82.08.150 and 1989 c 271 s 503 are each amended to
8 read as follows:

9 (1) There is levied and shall be collected a tax upon each retail
10 sale of spirits, or strong beer in the original package at the rate of
11 fifteen percent of the selling price. The tax imposed in this
12 subsection shall apply to all such sales including sales by the
13 Washington state liquor stores and agencies, but excluding sales to
14 class H licensees.

15 (2) There is levied and shall be collected a tax upon each sale of
16 spirits, or strong beer in the original package at the rate of ten
17 percent of the selling price on sales by Washington state liquor stores
18 and agencies to class H licensees.

19 (3) There is levied and shall be collected an additional tax upon
20 each retail sale of spirits in the original package at the rate of one
21 dollar and seventy-two cents per liter. The additional tax imposed in
22 this subsection shall apply to all such sales including sales by
23 Washington state liquor stores and agencies, and including sales to
24 class H licensees.

25 (4) An additional tax is imposed equal to the rate specified in RCW
26 82.02.030 multiplied by the taxes payable under subsections (1), (2),
27 and (3) of this section.

28 (5) Until July 1, 1995, an additional tax is imposed upon each
29 retail sale of spirits in the original package at the rate of seven

1 cents per liter. The additional tax imposed in this subsection shall
2 apply to all such sales including sales by Washington state liquor
3 stores and agencies, and including sales to class H licensees. All
4 revenues collected during any month from this additional tax shall be
5 deposited in the drug enforcement and education account under RCW
6 69.50.520 by the twenty-fifth day of the following month.

7 (6) The tax imposed in RCW 82.08.020, as now or hereafter amended,
8 shall not apply to sales of spirits or strong beer in the original
9 package.

10 (7) The taxes imposed in this section shall be paid by the buyer to
11 the seller, and each seller shall collect from the buyer the full
12 amount of the tax payable in respect to each taxable sale under this
13 section. The taxes required by this section to be collected by the
14 seller shall be stated separately from the selling price and for
15 purposes of determining the tax due from the buyer to the seller, it
16 shall be conclusively presumed that the selling price quoted in any
17 price list does not include the taxes imposed by this section.

18 (8) There is levied and shall be collected a tax upon each retail
19 sale of spirit coolers in the original package at the rate of fifty-
20 three cents per liter.

21 (9) As used in this section, the terms, "spirits," "strong beer,"
22 ((and)) "package", and "spirit cooler" shall have the meaning ascribed
23 to them in chapter 66.04 RCW.