

# FINAL BILL REPORT

## SHB 1915

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Synopsis as Enacted

**Brief Description:** Modifying wine and cider provisions.

**Sponsors:** By House Committee on Finance (originally sponsored by Representatives Cairnes, Morris, H. Sommers, Skinner, Hankins, Kessler, Lisk, Clements, Benson, Delvin, B. Chandler, Veloria, G. Chandler, Conway, Ruderman, Santos, Grant, Barlean and Alexander).

**House Committee on Finance**

**Senate Committee on Labor, Commerce & Financial Institutions**

**Background:**

A volumetric (per liter) tax is imposed on wine sold to wholesalers, the Liquor Control Board, or directly to consumers on the premises of a winery. In the case of table wine, the tax is imposed at a rate of \$0.2292 per liter; for fortified wines, \$0.4536 per liter; and for cider wine, \$0.0814 per liter. Fortified wine is defined as wine with more than 14 percent alcohol by volume, and cider wines are wines with alcohol content between 0.5 percent and 7 percent by volume derived from apples or pears. Taxpayers remit the tax on a monthly basis to the Liquor Control Board.

Each of the wine taxes is a composite of several smaller taxes that are imposed for different ultimate purposes. For example, in the case of table wine, a basic tax and surtax are imposed at rates of 20.25 cents per liter and 1.42 cents per liter, respectively. Most of the revenues from these taxes are deposited to the general fund, while a small part is distributed to Washington State University for wine and grape research. An additional tax is imposed at 1 cent per liter and is deposited in the Violence Reduction and Drug Enforcement Account. Yet another tax is imposed at 0.25 cents per liter and is distributed quarterly to the Washington Wine Commission for its purposes. The taxes for fortified wine and cider wine are similarly composite in nature.

The Washington Wine Commission is statutorily authorized to use revenue from the wine tax for purposes that promote the enhanced production of wine grapes and wine and that promote the marketing of Washington wine.

**Summary:**

The statutory provision is removed that requires the cessation of the portion of the wine tax that is provided for the purposes of the Washington Wine Commission. The tax,

which is scheduled to otherwise cease on July 1, 2001, is allowed to continue.

**Votes on Final Passage:**

House 98 0

Senate 46 0

**Effective:** July 1, 2001