
HOUSE BILL 1255

State of Washington 58th Legislature 2003 Regular Session

By Representatives Dickerson, Kenney, Darneille, O'Brien, Kagi,
McIntire, Cody and McDermott

Read first time 01/22/2003. Referred to Committee on Finance.

1 AN ACT Relating to excise taxes on beer; amending RCW 66.24.290;
2 and providing an effective date.

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

4 **Sec. 1.** RCW 66.24.290 and 1999 c 281 s 14 are each amended to read
5 as follows:

6 (1) Any microbrewer or domestic brewery or beer distributor
7 licensed under this title may sell and deliver beer to holders of
8 authorized licenses direct, but to no other person, other than the
9 board; and every such brewery or beer distributor shall report all
10 sales to the board monthly, pursuant to the regulations, and shall pay
11 to the board as an added tax for the privilege of manufacturing and
12 selling the beer within the state a tax of one dollar and thirty cents
13 per barrel of thirty-one gallons on sales to licensees within the state
14 and on sales to licensees within the state of bottled and canned beer
15 shall pay a tax computed in gallons at the rate of (~~one dollar and~~
16 ~~thirty~~) two dollars and sixty cents per barrel of thirty-one gallons.
17 Any brewery or beer distributor whose applicable tax payment is not
18 postmarked by the twentieth day following the month of sale will be
19 assessed a penalty at the rate of two percent per month or fraction

1 thereof. Beer shall be sold by breweries and distributors in sealed
2 barrels or packages. The moneys collected under this subsection shall
3 be distributed as follows: (a) Three-tenths of a percent shall be
4 distributed to border areas under RCW 66.08.195; and (b) of the
5 remaining moneys: (i) Twenty percent shall be distributed to counties
6 in the same manner as under RCW 66.08.200; and (ii) eighty percent
7 shall be distributed to incorporated cities and towns in the same
8 manner as under RCW 66.08.210.

9 (2) An additional tax is imposed on all beer subject to tax under
10 subsection (1) of this section. The additional tax is equal to (~~two~~
11 ~~dollars~~) twenty-four dollars and thirty-six cents per barrel of
12 thirty-one gallons. All revenues collected during any month from this
13 additional tax shall be deposited in the violence reduction and drug
14 enforcement account under RCW 69.50.520 by the twenty-fifth day of the
15 following month.

16 (3)(a) An additional tax is imposed on all beer subject to tax
17 under subsection (1) of this section. The additional tax is equal to
18 ninety-six cents per barrel of thirty-one gallons through June 30,
19 1995, two dollars and thirty-nine cents per barrel of thirty-one
20 gallons for the period July 1, 1995, through June 30, 1997, and four
21 dollars and seventy-eight cents per barrel of thirty-one gallons
22 thereafter.

23 (b) The additional tax imposed under this subsection does not apply
24 to the sale of the first sixty thousand barrels of beer each year by
25 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
26 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may
27 be provided by the board by rule consistent with the purposes of this
28 exemption.

29 (c) All revenues collected from the additional tax imposed under
30 this subsection (3) shall be deposited in the health services account
31 under RCW 43.72.900.

32 (4) An additional tax is imposed on all beer that is subject to tax
33 under subsection (1) of this section that is in the first sixty
34 thousand barrels of beer by breweries that are entitled to a reduced
35 rate of tax under 26 U.S.C. Sec. 5051, as existing on July 1, 1993, or
36 such subsequent date as may be provided by the board by rule consistent
37 with the purposes of the exemption under subsection (3)(b) of this
38 section. The additional tax is equal to one dollar and forty-eight and

1 two-tenths cents per barrel of thirty-one gallons. By the twenty-fifth
2 day of the following month, three percent of the revenues collected
3 from this additional tax shall be distributed to border areas under RCW
4 66.08.195 and the remaining moneys shall be transferred to the state
5 general fund.

6 (5) The board may make refunds for all taxes paid on beer exported
7 from the state for use outside the state.

8 (6) The board may require filing with the board of a bond to be
9 approved by it, in such amount as the board may fix, securing the
10 payment of the tax. If any licensee fails to pay the tax when due, the
11 board may forthwith suspend or cancel his or her license until all
12 taxes are paid.

13 (7) The tax imposed under this section shall not apply to "strong
14 beer" as defined in this title.

15 NEW SECTION. **Sec. 2.** This act takes effect October 1, 2003.

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