

# SENATE BILL REPORT

## SB 5259

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As of March 15, 2012

**Title:** An act relating to the tax payment and reporting requirements of small wineries.

**Brief Description:** Concerning the tax payment and reporting requirements of small wineries.

**Sponsors:** Senators Kline, Honeyford, Kohl-Welles, Carrell and Schoesler.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 1/27/11, 2/07/11 [DP-WM]; 1/16/12.

Ways & Means: 2/23/11, 2/24/11 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt, Keiser and Kline.

**Staff:** Edith Rice (786-7444)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Baxter, Brown, Conway, Fraser, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Keiser, Kohl-Welles, Pflug, Pridemore, Regala, Rockefeller, Schoesler and Tom.

**Staff:** Edith Rice (786-7444)

**Background:** Wineries, wine distributors, importers, and holders of certificates of approval must submit a liter tax along with a wine tax report to the Liquor Control Board on a monthly basis. Revenue generated from the wine liter tax is distributed to the liquor revolving account, the General Fund, and to cities and counties. A portion of the liter tax revenue is also disbursed quarterly to the Washington Wine Commission and to Washington State University for wine and grape research.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** Wineries and wine certificate of approval holders that have a total taxable sales of wine in Washington of 6000 gallons or less during the calendar year preceding the tax due date must report on and pay taxes no more frequently than annually.

**Appropriation:** None.

**Fiscal Note:** Requested on January 13, 2012.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (Labor, Commerce & Consumer Protection):**

Testimony From 2011 Regular Session.

PRO: Doing monthly bookkeeping is a burden on small wineries. It will save effort to be able to do it once per year. Other states do this. Please note that the fiscal note is a one time cost.

**Persons Testifying (Labor, Commerce & Consumer Protection):**

Persons Testifying From 2011 Regular Session.

PRO: Paul Beveridge, John Bell, Family Wineries of Washington State.

**Staff Summary of Public Testimony (Ways & Means):**

Testimony From 2011 Regular Session.

PRO: This bill will take monthly reporting from very small businesses and move them to an annual basis. The impact is to the liquor revolving account and not the General Fund. These small wineries are small enough that they report on an annual basis to the federal government. We believe that this is a clerical issue and not a computer issue.

**Persons Testifying (Ways & Means):**

Persons Testifying From 2011 Regular Session.

PRO: Senator Kline, prime sponsor; John Morgan, Family Wineries of Washington.