
HOUSE BILL 1883

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Condotta and Springer

Read first time 02/08/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to the taxation of domestically brewed beer;
2 amending RCW 66.24.290; providing an effective date; and declaring an
3 emergency.

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

5 **Sec. 1.** RCW 66.24.290 and 2010 1st sp.s. c 23 s 1301 are each
6 amended to read as follows:

7 (1) Any microbrewer or domestic brewery or beer distributor
8 licensed under this title may sell and deliver beer and strong beer to
9 holders of authorized licenses direct, but to no other person, other
10 than the board. Any certificate of approval holder authorized to act
11 as a distributor under RCW 66.24.270 shall pay the taxes imposed by
12 this section.

13 (a) Every such brewery or beer distributor shall report all sales
14 to the board monthly, pursuant to the regulations, and shall pay to the
15 board as an added tax for the privilege of manufacturing and selling
16 the beer and strong beer within the state a tax of one dollar and
17 thirty cents per barrel of thirty-one gallons on sales to licensees
18 within the state and on sales to licensees within the state of bottled

1 and canned beer, including strong beer, shall pay a tax computed in
2 gallons at the rate of one dollar and thirty cents per barrel of
3 thirty-one gallons.

4 (b) Any brewery or beer distributor whose applicable tax payment is
5 not postmarked by the twentieth day following the month of sale will be
6 assessed a penalty at the rate of two percent per month or fraction
7 thereof. Beer and strong beer shall be sold by breweries and
8 distributors in sealed barrels or packages.

9 (c) The moneys collected under this subsection shall be distributed
10 as follows: (i) Three-tenths of a percent shall be distributed to
11 border areas under RCW 66.08.195; and (ii) of the remaining moneys:
12 (A) Twenty percent shall be distributed to counties in the same manner
13 as under RCW 66.08.200; and (B) eighty percent shall be distributed to
14 incorporated cities and towns in the same manner as under RCW
15 66.08.210.

16 (d) Any licensed retailer authorized to purchase beer from a
17 certificate of approval holder with a direct shipment endorsement or a
18 brewery or microbrewery shall make monthly reports to the liquor
19 control board on beer purchased during the preceding calendar month in
20 the manner and upon such forms as may be prescribed by the board.

21 (2) An additional tax is imposed on all beer and strong beer
22 subject to tax under subsection (1) of this section. The additional
23 tax is equal to two dollars per barrel of thirty-one gallons. All
24 revenues collected during any month from this additional tax shall be
25 deposited in the state general fund by the twenty-fifth day of the
26 following month.

27 (3)(a) An additional tax is imposed on all beer and strong beer
28 subject to tax under subsection (1) of this section. The additional
29 tax is equal to ninety-six cents per barrel of thirty-one gallons
30 through June 30, 1995, two dollars and thirty-nine cents per barrel of
31 thirty-one gallons for the period July 1, 1995, through June 30, 1997,
32 and four dollars and seventy-eight cents per barrel of thirty-one
33 gallons thereafter.

34 (b) The additional tax imposed under this subsection does not apply
35 to the sale of the first sixty thousand barrels of beer each year by
36 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
37 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may

1 be provided by the board by rule consistent with the purposes of this
2 exemption.

3 (c) All revenues collected from the additional tax imposed under
4 this subsection (3) shall be deposited in the state general fund.

5 (4) An additional tax is imposed on all beer and strong beer that
6 is subject to tax under subsection (1) of this section that is in the
7 first sixty thousand barrels of beer and strong beer by breweries that
8 are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as
9 existing on July 1, 1993, or such subsequent date as may be provided by
10 the board by rule consistent with the purposes of the exemption under
11 subsection (3)(b) of this section. The additional tax is equal to one
12 dollar and forty-eight and two-tenths cents per barrel of thirty-one
13 gallons. By the twenty-fifth day of the following month, three percent
14 of the revenues collected from this additional tax shall be distributed
15 to border areas under RCW 66.08.195 and the remaining moneys shall be
16 transferred to the state general fund.

17 (5)(a) From June 1, 2010, through June 30, 2013, an additional tax
18 is imposed on all beer and strong beer subject to tax under subsection
19 (1) of this section. The additional tax is equal to fifteen dollars
20 and fifty cents per barrel of thirty-one gallons.

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

27 (ii) Effective June 30, 2011, the additional tax imposed under this
28 subsection does not apply to the sale of beer brewed domestically,
29 within the United States, by breweries whose annual domestic production
30 does not exceed two million barrels.

31 (c) All revenues collected from the additional tax imposed under
32 this subsection shall be deposited in the state general fund.

33 (6) The board may make refunds for all taxes paid on beer and
34 strong beer exported from the state for use outside the state.

35 (7) The board may require filing with the board of a bond to be
36 approved by it, in such amount as the board may fix, securing the
37 payment of the tax. If any licensee fails to pay the tax when due, the

1 board may forthwith suspend or cancel his or her license until all
2 taxes are paid.

3 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 June 30, 2011.

--- END ---