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**Finance Committee**

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**HB 1503**

**Brief Description:** Increasing excise tax revenue with liquor license renewals.

**Sponsors:** Representatives Carlyle and Ryu; by request of Department of Revenue.

**Brief Summary of Bill**

- Authorizes the Department of Revenue to request the Liquor Control Board to suspend or not renew a liquor license if an entity is delinquent in remitting taxes.

**Hearing Date:** 2/8/13

**Staff:** Jeff Olsen (786-7175).

**Background:**

Liquor Control Board

The Liquor Control Board (LCB) issues a number of different licenses to regulate the sale of liquor, beer, and wine. For example, a spirits distributor license is required to sell spirits purchased from manufacturers, distillers, or suppliers to spirits retailers. A spirits retail license is required to sell spirits in original containers to consumers for consumption off the licensed premise.

Department of Revenue

The Department of Revenue (Department) administers the collection of state and local taxes including business and occupation taxes, sales taxes, and liquor taxes. The Department may request that the LCB suspend or not renew a spirits retailer or distributor license if an entity is delinquent in remitting spirits taxes.

Liquor Taxes.

Spirits taxes are levied upon the sale of spirits in their original package including a liquor sales tax and a liquor liter tax. For sales to consumers, the liquor sales tax is 20.5 percent of the

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selling price, and the liquor liter tax is \$3.7708 per liter. For sales to restaurants and bars, the liquor sales tax is 13.7 percent of the selling price, and the liquor liter tax is \$2.4408 per liter.

**Summary of Bill:**

The Department may request that the LCB suspend a liquor license and refuse to renew such license if the taxpayer is more than 30 days delinquent in reporting or remitting taxes, penalties, or interest to the Department. A liquor license is defined to include any license, permit, certificate, or other authorization issued or approved by the LCB. Taxes are defined to include any taxes assessed against a taxpayer by the Department. No person may file a notice of appeal with the Board of Tax appeals to contest the amount of taxes assessed unless the person has first paid the full amount of taxes assessed against the taxpayer by the Department.

**Appropriation:** None.

**Fiscal Note:** Requested on 01/29/13.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.