
Commerce & Gaming Committee

HB 1902

Brief Description: Renaming the spirits retail license fee as a tax and dedicating revenue to education.

Sponsors: Representatives Harmsworth, Young, Scott, Griffey and Hayes.

Brief Summary of Bill

- Reframes the spirits retail license fee as a tax and transfers responsibility for the tax to the Department of Revenue.
- Directs a portion of the revenue from the spirits retail license fee to the Education Legacy Trust Account.

Hearing Date: 2/9/15

Staff: David Rubenstein (786-7153).

Background:

Spirits retail license fee.

Large spirits retail licensees, with retail space exceeding 10,000 square feet, must pay to the Liquor Control Board (Board) a license issuance fee equal to 17 percent of all spirit sales revenues earned by the licensee. The calculation of this fee includes revenues derived from sales to bars and restaurants and is in addition to any taxes collected on the sales of the spirits. Craft distilleries are exempt from the fee.

Once collected by the Board, license issuance fees are deposited into the Liquor Revolving Fund. Moneys in this fund are distributed to the Board for administrative expenses, to the Municipal Research Service Center, and to cities, towns, and counties.

Education Legacy Trust Account.

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.

The Education Legacy Trust Account (Account) was created in 2005 and is funded by the public works tax, solid waste collection tax, property taxes, and the estate tax. Money in the Account may only be used for K-12 and expanding access to higher education.

Summary of Bill:

The spirits retail license fee is renamed as a tax, and responsibility for the tax is transferred to the Department of Revenue (Department). The Department must issue rules for the reporting of spirits sales and payment of associated taxes at the same time as for the reporting and payment of the spirits sales tax and volumetric tax. The Department has enforcement authority.

Proceeds from the spirits retail license tax are deposited in the Liquor Revolving Fund. Funds remaining after distribution to the Municipal Research Service Center and cities, towns, and counties are deposited in the Education Legacy Trust Account.

Appropriation: None.

Fiscal Note: Requested on 2/05/15.

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