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HOUSE BILL 2581

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State of Washington

64th Legislature

2016 Regular Session

By Representatives Lytton, Hayes, Van De Wege, Vick, Manweller, Sells, Gregerson, Peterson, Morris, Buys, Rossetti, and Springer

Read first time 01/15/16. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to the alcohol content of cider; and amending RCW  
2 66.24.210.

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

4 **Sec. 1.** RCW 66.24.210 and 2012 c 20 s 2 are each amended to read  
5 as follows:

6 (1) There is hereby imposed upon all wines except cider sold to  
7 wine distributors and the Washington state liquor ~~((control))~~ and  
8 cannabis board, within the state a tax at the rate of twenty and one-  
9 fourth cents per liter. Any domestic winery or certificate of  
10 approval holder acting as a distributor of its own production shall  
11 pay taxes imposed by this section. There is hereby imposed on all  
12 cider sold to wine distributors and the Washington state liquor  
13 ~~((control))~~ and cannabis board within the state a tax at the rate of  
14 three and fifty-nine one-hundredths cents per liter. However, wine  
15 sold or shipped in bulk from one winery to another winery ~~((shall))~~  
16 is not ~~((be))~~ subject to such tax.

17 (a) The tax provided for in this section ~~((shall))~~ must be  
18 collected by direct payments based on wine purchased by wine  
19 distributors.

20 (b) Except as provided in subsection (7) of this section, every  
21 person purchasing wine under the provisions of this section ~~((shall))~~

1 must on or before the twentieth day of each month report to the board  
2 all purchases during the preceding calendar month in such manner and  
3 upon such forms as may be prescribed by the board, and with such  
4 report shall pay the tax due from the purchases covered by such  
5 report unless the same has previously been paid. Any such purchaser  
6 of wine whose applicable tax payment is not postmarked by the  
7 twentieth day following the month of purchase will be assessed a  
8 penalty at the rate of two percent a month or fraction thereof. The  
9 board may require that every such person shall execute to and file  
10 with the board a bond to be approved by the board, in such amount as  
11 the board may fix, securing the payment of the tax. If any such  
12 person fails to pay the tax when due, the board may forthwith suspend  
13 or cancel the license until all taxes are paid.

14 (c) Any licensed retailer authorized to purchase wine from a  
15 certificate of approval holder with a direct shipment endorsement or  
16 a domestic winery (~~shall~~) must make monthly reports to the liquor  
17 (~~control~~) and cannabis board on wine purchased during the preceding  
18 calendar month in the manner and upon such forms as may be prescribed  
19 by the board.

20 (2) An additional tax is imposed equal to the rate specified in  
21 RCW 82.02.030 multiplied by the tax payable under subsection (1) of  
22 this section. All revenues collected during any month from this  
23 additional tax (~~shall~~) must be transferred to the state general  
24 fund by the twenty-fifth day of the following month.

25 (3) An additional tax is imposed on wines subject to tax under  
26 subsection (1) of this section, at the rate of one-fourth of one cent  
27 per liter for wine sold after June 30, 1987. After June 30, 1996,  
28 such additional tax does not apply to cider. An additional tax of  
29 five one-hundredths of one cent per liter is imposed on cider sold  
30 after June 30, 1996. All revenues collected under this subsection (3)  
31 (~~shall~~) must be disbursed quarterly to the Washington wine  
32 commission for use in carrying out the purposes of chapter 15.88 RCW.

33 (4) An additional tax is imposed on all wine subject to tax under  
34 subsection (1) of this section. The additional tax is equal to  
35 twenty-three and forty-four one-hundredths cents per liter on  
36 fortified wine as defined in RCW 66.04.010 when bottled or packaged  
37 by the manufacturer, one cent per liter on all other wine except  
38 cider, and eighteen one-hundredths of one cent per liter on cider.  
39 All revenues collected during any month from this additional tax

1 shall be deposited in the state general fund by the twenty-fifth day  
2 of the following month.

3 (5)(a) An additional tax is imposed on all cider subject to tax  
4 under subsection (1) of this section. The additional tax is equal to  
5 two and four one-hundredths cents per liter of cider sold after June  
6 30, 1996, and before July 1, 1997, and is equal to four and seven  
7 one-hundredths cents per liter of cider sold after June 30, 1997.

8 (b) All revenues collected from the additional tax imposed under  
9 this subsection (5) (~~shall~~) must be deposited in the state general  
10 fund.

11 (6) For the purposes of this section, "cider" means table wine  
12 that contains not less than one-half of one percent of alcohol by  
13 volume and not more than (~~seven~~) eight and one-half percent of  
14 alcohol by volume and is made from the normal alcoholic fermentation  
15 of the juice of sound, ripe apples or pears. "Cider" includes, but is  
16 not limited to, flavored, sparkling, or carbonated cider and cider  
17 made from condensed apple or pear must.

18 (7) For the purposes of this section, out-of-state wineries  
19 (~~shall~~) must pay taxes under this section on wine sold and shipped  
20 directly to Washington state residents in a manner consistent with  
21 the requirements of a wine distributor under subsections (1) through  
22 (4) of this section, except wineries (~~shall be~~) are responsible for  
23 the tax and not the resident purchaser.

24 (8) Notwithstanding any other provision of this section, any  
25 domestic winery or wine certificate of approval holder acting as a  
26 distributor of its own production that had total taxable sales of  
27 wine in Washington state of six thousand gallons or less during the  
28 calendar year preceding the date on which the tax would otherwise be  
29 due is not required to pay taxes under this section more often than  
30 annually.

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