

SSB 5049 - S AMD 176
By Senator Saldaña

NOT CONSIDERED 04/26/2021

1 On page 4, line 20, after "Low-proof" insert "spirits"

2 On page 4, line 24, after "(27)" insert "Low-proof malt
3 beverage" means any beverage that is not a low-proof spirits beverage
4 if the beverage:

5 (a) Is 16 ounces or less;

6 (b) Contains more than .5 percent alcohol by volume and less than
7 seven percent alcohol by volume; and

8 (c) Does not include wine.

9 (28)"

10 Renumber the remaining subsections consecutively and correct any
11 internal references accordingly.

12 On page 8, after line 21, insert the following:

13 **"Sec. 2.** RCW 66.24.290 and 2010 1st sp.s. c 23 s 1301 are each
14 amended to read as follows:

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

21 (a) Every such brewery or beer distributor shall report all sales
22 to the board monthly, pursuant to the regulations, and shall pay to
23 the board as an added tax for the privilege of manufacturing and
24 selling the beer and strong beer within the state a tax of one dollar
25 and thirty cents per barrel of thirty-one gallons on sales to
26 licensees within the state and on sales to licensees within the state
27 of bottled and canned beer, including strong beer, shall pay a tax
28 computed in gallons at the rate of one dollar and thirty cents per
29 barrel of thirty-one gallons.

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

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

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

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

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

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

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

39 (4) An additional tax is imposed on all beer and strong beer that
40 is subject to tax under subsection (1) of this section that is in the

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

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

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

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

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

26 (7) The board may require filing with the board of a bond to be
27 approved by it, in such amount as the board may fix, securing the
28 payment of the tax. If any licensee fails to pay the tax when due,
29 the board may forthwith suspend or cancel his or her license until
30 all taxes are paid.

31 (8) For the purposes of this section, "beer" and "strong beer"
32 does not include "low-proof malt beverages."

33 Renumber the remaining sections consecutively and correct any
34 internal references accordingly.

35 On page 11, at the beginning of line 4, insert "spirits"

36 Beginning on page 12, line 27, strike all of section 3 and insert
37 the following:

1 "NEW SECTION. **Sec. 3.** A new section is added to chapter 66.24
2 RCW to read as follows:

3 (1) There is levied and collected a tax on the sale of low-proof
4 spirits beverages equal to 99 cents per gallon as follows:

5 (a) A spirits distributor under the terms of its license shall
6 pay the tax imposed by this subsection on sales of low-proof spirits
7 beverages to spirits retailers.

8 (b) A distillery or craft distillery that self-distributes low-
9 proof spirits beverages under the terms of its license shall pay the
10 tax imposed by this subsection on sales to spirits retailers.

11 (c) A distillery or craft distillery that sells low-proof spirits
12 beverages directly to consumers under the terms of its license shall
13 pay the tax imposed by this subsection on those sales.

14 (d) A holder of a spirits out-of-state certificate with a direct
15 shipment endorsement that self-distributes under the terms of its
16 license shall pay the tax imposed by this subsection on sales to
17 spirits retailers and directly to consumers.

18 (2) There is levied and collected a tax on the sale of low-proof
19 malt beverages equal to 87 cents per gallon as follows:

20 (a) A spirits distributor under the terms of its license shall
21 pay the tax imposed by this subsection on sales of low-proof malt
22 beverages to spirits retailers.

23 (b) A distillery or craft distillery that self-distributes low-
24 proof malt beverages under the terms of its license shall pay the tax
25 imposed by this subsection on sales to spirits retailers.

26 (c) A distillery or craft distillery that sells low-proof malt
27 beverages directly to consumers under the terms of its license shall
28 pay the tax imposed by this subsection on those sales.

29 (d) A holder of a spirits out-of-state certificate with a direct
30 shipment endorsement that self-distributes under the terms of its
31 license shall pay the tax imposed by this subsection on sales to
32 spirits retailers and directly to consumers."

33 On page 14, line 29, after "low-proof" insert "spirits"

34 On page 16, line 37, after "low-proof" insert "spirits"

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1 On page 1, line 1 of the title, after "amending RCW" insert
2 "66.24.290,"

EFFECT: Adds a new definition of low-proof malt beverage. Raises the tax on low-proof malt beverages from the default of \$0.26 per gallon to \$0.87 per gallon. Makes other technical changes.

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