

SENATE BILL REPORT

SB 6119

As of March 23, 2009

Title: An act relating to limiting the discount of purchases of spirits by licensees.

Brief Description: Limiting the discount of purchases of spirits by licensees.

Sponsors: Senator Tom.

Brief History:

Committee Activity: Ways & Means: 3/18/09, 3/23/09.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Businesses that are licensed to sell spirits, such as restaurants, private clubs, hotels, and sports entertainment facilities are entitled to purchase spirits from the Liquor Control Board at a discount of not less than 15 percent from the retail price fixed by the board.

Summary of Bill: The discount of spirits sold by the board to licensees is limited to not more than 10 percent of the retail price fixed by the board.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: CON: In 1949 the state set the policy of a minimum of a 15 percent discount for the purchase of spirits by restaurants and other businesses. We believe this was done to recognize that these businesses provide jobs and should have some tax relief. Additionally, it was a recognition that these purchases are volume purchases and should be recognized as other wholesale type purchases. We view this as a tax increase that has I-960 implications. This will increase prices on our customers. We get discounts on our

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.

other wholesale transactions. Our purchases do not have as much of a financial impact on the liquor stores.

Persons Testifying: CON: Michael Transue, Washington Restaurant Association.