

HOUSE BILL REPORT

HB 1373

As Reported by House Committee On:
State Government & Tribal Affairs

Title: An act relating to the tax payment and reporting requirements of small wineries.

Brief Description: Concerning the tax payment and reporting requirements of small wineries.

Sponsors: Representatives Condotta, Finn, Warnick, Fagan and Armstrong.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 2/17/11 [DP].

Brief Summary of Bill

- Changes the winery tax and reporting requirement from monthly to not more often than annually for certain wineries.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 10 members: Representatives Hunt, Chair; Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander, Condotta, Darneille, Dunshee, Hurst, McCoy and Miloscia.

Staff: Joan Elgee (786-7106).

Background:

Wine sold in this state is subject to a liter excise tax. In winery to distributor sales, the distributor pays the liter tax. When the winery sells directly to consumers or retail licensees, the winery must pay the liter tax. The base liter tax goes into the Liquor Revolving Fund, from which the Liquor Control Board's expenses are paid and distributions are made to the General Fund, cities, and counties. Other liter taxes are imposed and distributed for various purposes.

Wineries and wine distributors must submit tax reports monthly.

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.

Summary of Bill:

Wineries that have total taxable sales of wine in Washington of 6,000 gallons or less during the calendar year preceding the tax due date are required to report on and pay taxes no more frequently than annually.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill will lower the burden on small wineries and on the Liquor Control Board. Idaho just changed to annual reporting and Oregon is considering it.

(Information only) The Liquor Control Board has no concerns about the policy but there is a one-time cost.

(Opposed) None.

Persons Testifying: (In support) Representative Condotta, prime sponsor; and Paul Beveridge, Family Wineries of Washington State.

(Information only) Alan Rathbun, Washington State Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.