**5049-S AMS SALD S1567.1 - NOT FOR FLOOR USE**

**SSB 5049** - S AMD **176**

By Senator Saldaña

**NOT CONSIDERED 04/26/2021**

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

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

(a) Is 16 ounces or less;

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

(c) Does not include wine.

(28)"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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