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SENATE BILL 5930

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State of Washington

63rd Legislature

2013 Regular Session

By Senator Kline

Read first time 04/28/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to funding and requiring the use of distributions  
2 from the additional tax on beer and strong beer for improving impaired  
3 driving safety and enforcement; and amending RCW 66.24.290 and  
4 46.68.260.

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

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

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

14 (a) Every such brewery or beer distributor (~~shall~~) must report  
15 all sales to the board monthly, pursuant to the regulations, and  
16 (~~shall~~) must pay to the board as an added tax for the privilege of  
17 manufacturing and selling the beer and strong beer within the state a  
18 tax of one dollar and thirty cents per barrel of thirty-one gallons on  
19 sales to licensees within the state and on sales to licensees within

1 the state of bottled and canned beer, including strong beer, (~~shall~~)  
2 must pay a tax computed in gallons at the rate of one dollar and thirty  
3 cents per barrel of thirty-one gallons.

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

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

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

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

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

35 (b) The additional tax imposed under this subsection does not apply  
36 to the sale of the first sixty thousand barrels of beer each year by  
37 breweries that are entitled to a reduced rate of tax under 26 U.S.C.

1 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may  
2 be provided by the board by rule consistent with the purposes of this  
3 exemption.

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

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

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

23 (b) The additional tax imposed under this subsection does not apply  
24 to the sale of the first sixty thousand barrels of beer each year by  
25 breweries that are entitled to a reduced rate of tax under 26 U.S.C.  
26 Sec. 5051 of the federal internal revenue code, as existing on July 1,  
27 1993, or such subsequent date as may be provided by the board by rule  
28 consistent with the purposes of this exemption.

29 (c) All revenues collected from the additional tax imposed under  
30 this subsection (~~shall~~) must be deposited in the (~~state general~~  
31 ~~fund~~) impaired driving safety account created in RCW 46.68.260.

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

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

1       **Sec. 2.** RCW 46.68.260 and 2004 c 95 s 16 are each amended to read  
2 as follows:

3       The impaired driving safety account is created in the (~~custody of~~  
4 ~~the state treasurer~~) state treasury. All receipts from fees collected  
5 under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) shall be  
6 deposited according to RCW 46.68.041. Additionally, the tax imposed  
7 under RCW 66.24.290(5) must be deposited into the account.  
8 Expenditures from this account may be used only to fund projects to  
9 reduce impaired driving and to provide funding to local governments for  
10 costs associated with enforcing laws relating to driving and boating  
11 while under the influence of intoxicating liquor or any drug. The  
12 account is subject to allotment procedures under chapter 43.88 RCW.  
13 Moneys in the account may be spent only after appropriation.

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