
Commerce & Gaming Committee

HB 2563

Brief Description: Requiring retailers to post the total sale price of spirits for sale.

Sponsors: Representatives Condotta and Sawyer.

Brief Summary of Bill

- Requires a licensed spirits retailer to conspicuously display to the public the total sale price for each container or package of spirits offered for sale to the consumer, inclusive of all state and federal taxes and fees, except state and local sales taxes.
- Requires that the total sale price be conspicuously displayed in the location in the store most likely to be seen and understood by the consumer.
- Defines "total sale price" to mean the actual dollar amount that the consumer must pay to the retailer at the time of completion of the retail sales transaction, including all state and federal taxes and fees, except state and local sales taxes.

Hearing Date: 1/16/18

Staff: Thamas Osborn (786-7129).

Background:

A consumer that purchases spirits from a licensed spirits retailer pays two state taxes at the time of purchase:

- a spirits liter tax at the rate of \$3.7708 per liter; and
- a spirits sales tax at the rate of 20.5 percent of the retail price.

It is the general practice of retailers, including spirits retailers, to not include state taxes in the retail prices publicly posted or advertised on product shelves or in display areas within the store. Accordingly, customers are generally informed of such taxes only at the time of actual purchase at the cash register.

Summary of Bill:

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.

A spirits retailer licensed to conduct sales of spirits for off-premises consumption must conspicuously display to the public the total sale price for each container or package of spirits offered for sale to the consumer for consumption off the licensed premises, inclusive of all state and federal taxes and fees, except state and local sales taxes. "Total sale price" is defined to mean the actual dollar amount that the consumer must pay to the retailer at the time of completion of the retail sales transaction, including all state and federal taxes and fees, except state and local sales taxes.

The total sale price must be conspicuously displayed in the location most likely to be seen and understood by the consumer, as follows:

- Immediately adjacent to the spirits product being offered for sale and must be done in a manner that provides the consumer with clear and conspicuous notice of the total sale price; or
- In the event it is impracticable for the retailer to display the total sale price on shelving or other display area, the retailer must affix a label or tag on each container or package of spirits clearly stating the total sale price.

Appropriation: None.

Fiscal Note: Available.

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