**5049-S AMS CARL S1288.2 - NOT FOR FLOOR USE**

**SSB 5049** - S AMD **99**

By Senator Carlyle

**NOT CONSIDERED 04/26/2021**

On page 1, after line 4, insert the following:

"NEW SECTION. **Sec.**  (1) The legislature finds that ready-to-drink (canned) cocktails have experienced explosive growth, and this trend does not show any signs of slowing down. The legislature further finds that these beverages are a popular and growing form of alcohol consumption among youth.

(2) Therefore, it is the legislature's specific public policy objective to lower the cost of canned cocktail spirits by providing substantial tax relief to further accelerate sales and expand profit margins for the spirit-based ready-to-drink industry. It is the legislature's further policy objective to shield the negative externalities of the true cost and impact of alcohol consumption on the health of Washington residents, thereby allowing the industry and the legislature to spread the negative health costs of the product to the general public in the form of taxpayer-funded public services associated with alcohol consumption.

(3) To evaluate whether the public policy objectives provided in subsection (2) of this section have been met, the joint legislative audit and review committee must estimate the growth of youth and adult consumption of these canned cocktail products. Furthermore, the committee must evaluate the extent to which the ready-to-drink industry supplants the lower cost of taxes under this act with higher profit margins for the following specific businesses: Gordon's pink martini; bacardi rum punch; Jack Daniels & cola; absolut mango mule; and other brands as the committee deems appropriate in order to avoid unequal treatment under the law.

(4) This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(5) The legislature categorizes these tax preferences as ones intended to create or retain jobs as indicated in RCW 82.32.808(2)(c).

(6) If a review finds that canned cocktail industry growth has not consistently maintained 75 percent year-over-year growth, the committee must recommend continuation of the tax preferences in this act to ensure that taxation does not act as a barrier to market entry.

(7) In order to obtain the data necessary to perform the review in subsection (6) of this section, the joint legislative audit and review committee may refer to data provided to the department of revenue pursuant to the annual survey required under RCW 43.365.040."

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

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On page 1, line 3 of the title, after "66.04.010;" strike all material through "RCW" and insert "adding a new section to chapter 66.24 RCW; and creating a new section"

EFFECT: Adds a tax preference performance statement specifying the public policy objectives, as well as JLARC review requirements for the tax preferences in the legislation.