

SSB 5049 - S AMD 99
By Senator Carlyle

NOT CONSIDERED 04/26/2021

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

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

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

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

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

31 (5) The legislature categorizes these tax preferences as ones
32 intended to create or retain jobs as indicated in RCW
33 82.32.808(2)(c).

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

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

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

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12 On page 1, line 3 of the title, after "66.04.010;" strike all
13 material through "RCW" and insert "adding a new section to chapter
14 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.

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