

---

**Commerce & Labor Committee**

---

**HB 1538**

**Brief Description:** Concerning the reporting requirements of small domestic wineries.

**Sponsors:** Representatives O'Brien, Warnick and Johnson.

**Brief Summary of Bill**

- Changes tax reporting for specified domestic wineries from monthly to annually.

**Hearing Date:** 2/6/09

**Staff:** Joan Elgee (786-7106)

**Background:**

Wine sold in this state is subject to a liter excise tax. In winery to distributor sales, the distributor pays the liter tax. When the winery sells directly to consumers or retail licensees, the winery must pay the liter tax. The liter tax is distributed to the General Fund, cities, counties, Washington State University for research, the Health Services Account, and the Violence Reduction and Drug Enforcement Account. An assessment is also levied to support the Washington Wine Commission.

Wineries and wine distributors submit tax reports monthly.

**Summary of Bill:**

The time frames for wineries and wine distributors to submit reports, including tax returns, to the Liquor Control Board (Board) are changed. The monthly requirement is deleted. Wineries and wine distributors must submit reports to the Board of its operations, under rules adopted by the Board. For domestic wineries that withdrew from its premises 6,000 or fewer gallons subject to federal excise tax during the preceding calendar year, the Board may not require reports more frequently than annually.

---

*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.*

**Rules Authority:** The bill contains provisions addressing the rule-making authority of the Liquor Control Board.

**Appropriation:** None.

**Fiscal Note:** Available.

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