
HOUSE BILL 2526

State of Washington 61st Legislature 2010 Regular Session

By Representatives O'Brien, Warnick, and Springer

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1 AN ACT Relating to the tax payment and reporting requirements of
2 small wineries; and amending RCW 66.24.230 and 66.24.210.

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

4 **Sec. 1.** RCW 66.24.230 and 2004 c 160 s 5 are each amended to read
5 as follows:

6 Every domestic winery, wine certificate of approval holder, wine
7 importer, and wine distributor licensed under this title shall make
8 ~~((monthly))~~ reports to the board of its operations, pursuant to ((the))
9 such regulations as the board may adopt. However, such reports,
10 including without limitation tax returns pursuant to RCW 66.24.210, may
11 not be required more frequently than annually from any winery or wine
12 certificate of approval holder that had total taxable sales of wine in
13 Washington state of six thousand gallons or less during the calendar
14 year preceding the date on which the report would otherwise be due.
15 Such domestic winery, wine certificate of approval holder, wine
16 importer, and wine distributor shall make no sales of wine within the
17 state of Washington except to the board, or as otherwise provided in
18 this title.

1 **Sec. 2.** RCW 66.24.210 and 2009 c 479 s 42 are each amended to read
2 as follows:

3 (1) There is hereby imposed upon all wines except cider sold to
4 wine distributors and the Washington state liquor control board, within
5 the state a tax at the rate of twenty and one-fourth cents per liter.
6 Any domestic winery or certificate of approval holder acting as a
7 distributor of its own production shall pay taxes imposed by this
8 section. There is hereby imposed on all cider sold to wine
9 distributors and the Washington state liquor control board within the
10 state a tax at the rate of three and fifty-nine one-hundredths cents
11 per liter. However, wine sold or shipped in bulk from one winery to
12 another winery shall not be subject to such tax.

13 (a) The tax provided for in this section shall be collected by
14 direct payments based on wine purchased by wine distributors.

15 (b) Except as provided in subsection (7) of this section, every
16 person purchasing wine under the provisions of this section shall on or
17 before the twentieth day of each month report to the board all
18 purchases during the preceding calendar month in such manner and upon
19 such forms as may be prescribed by the board, and with such report
20 shall pay the tax due from the purchases covered by such report unless
21 the same has previously been paid. Any such purchaser of wine whose
22 applicable tax payment is not postmarked by the twentieth day following
23 the month of purchase will be assessed a penalty at the rate of two
24 percent a month or fraction thereof. The board may require that every
25 such person shall execute to and file with the board a bond to be
26 approved by the board, in such amount as the board may fix, securing
27 the payment of the tax. If any such person fails to pay the tax when
28 due, the board may forthwith suspend or cancel the license until all
29 taxes are paid.

30 (c) Any licensed retailer authorized to purchase wine from a
31 certificate of approval holder with a direct shipment endorsement or a
32 domestic winery shall make monthly reports to the liquor control board
33 on wine purchased during the preceding calendar month in the manner and
34 upon such forms as may be prescribed by the board.

35 (2) An additional tax is imposed equal to the rate specified in RCW
36 82.02.030 multiplied by the tax payable under subsection (1) of this
37 section. All revenues collected during any month from this additional

1 tax shall be transferred to the state general fund by the twenty-fifth
2 day of the following month.

3 (3) An additional tax is imposed on wines subject to tax under
4 subsection (1) of this section, at the rate of one-fourth of one cent
5 per liter for wine sold after June 30, 1987. After June 30, 1996, such
6 additional tax does not apply to cider. An additional tax of five one-
7 hundredths of one cent per liter is imposed on cider sold after June
8 30, 1996. All revenues collected under this subsection (3) shall be
9 disbursed quarterly to the Washington wine commission for use in
10 carrying out the purposes of chapter 15.88 RCW.

11 (4) An additional tax is imposed on all wine subject to tax under
12 subsection (1) of this section. The additional tax is equal to twenty-
13 three and forty-four one-hundredths cents per liter on fortified wine
14 as defined in RCW 66.04.010 when bottled or packaged by the
15 manufacturer, one cent per liter on all other wine except cider, and
16 eighteen one-hundredths of one cent per liter on cider. All revenues
17 collected during any month from this additional tax shall be deposited
18 in the state general fund by the twenty-fifth day of the following
19 month.

20 (5)(a) An additional tax is imposed on all cider subject to tax
21 under subsection (1) of this section. The additional tax is equal to
22 two and four one-hundredths cents per liter of cider sold after June
23 30, 1996, and before July 1, 1997, and is equal to four and seven one-
24 hundredths cents per liter of cider sold after June 30, 1997.

25 (b) All revenues collected from the additional tax imposed under
26 this subsection (5) shall be deposited in the state general fund.

27 (6) For the purposes of this section, "cider" means table wine that
28 contains not less than one-half of one percent of alcohol by volume and
29 not more than seven percent of alcohol by volume and is made from the
30 normal alcoholic fermentation of the juice of sound, ripe apples or
31 pears. "Cider" includes, but is not limited to, flavored, sparkling,
32 or carbonated cider and cider made from condensed apple or pear must.

33 (7) For the purposes of this section, out-of-state wineries shall
34 pay taxes under this section on wine sold and shipped directly to
35 Washington state residents in a manner consistent with the requirements
36 of a wine distributor under subsections (1) through (4) of this
37 section, except wineries shall be responsible for the tax and not the
38 resident purchaser.

1 (8) Notwithstanding any other provision of this section, any
2 domestic winery or wine certificate of approval holder acting as a
3 distributor of its own production that had total taxable sales of wine
4 in Washington state of six thousand gallons or less during the calendar
5 year preceding the date on which the tax would otherwise be due is not
6 required to pay taxes under this section more often than annually.

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