
HOUSE BILL 2642

State of Washington 64th Legislature 2016 Regular Session

By Representatives Condotta, Wylie, Scott, and Vick

Read first time 01/18/16. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to providing small winery tax relief; and
2 amending RCW 66.24.210.

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

4 **Sec. 1.** RCW 66.24.210 and 2012 c 20 s 2 are each amended to read
5 as follows:

6 (1)(a) There is hereby imposed upon all wines except cider sold
7 to wine distributors and the Washington state liquor ~~((control))~~ and
8 cannabis board, within the state a tax at the rate of twenty and one-
9 fourth cents per liter. Any domestic winery or certificate of
10 approval holder acting as a distributor of its own production
11 ~~((shall))~~ must pay taxes imposed by this section. There is hereby
12 imposed on all cider sold to wine distributors and the Washington
13 state liquor ~~((control))~~ and cannabis board within the state a tax at
14 the rate of three and fifty-nine one-hundredths cents per liter.
15 However, the following are not subject to tax under this section:

16 (i) Wine sold or shipped in bulk from one winery to another
17 winery ~~((shall not be subject to such tax))~~; and

18 (ii) A domestic winery's sales of the first twenty thousand
19 gallons of wine in a calendar year, except any amount of such tax
20 that may be designated for disbursement to the Washington wine
21 commission for use in carrying out the purposes of chapter 15.88 RCW.

1 ~~((a))~~ (b) The tax provided for in this section ~~((shall))~~ must
2 be collected by direct payments based on wine purchased by wine
3 distributors.

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

19 ~~((c))~~ (d) Any licensed retailer authorized to purchase wine
20 from a certificate of approval holder with a direct shipment
21 endorsement or a domestic winery ~~((shall))~~ must make monthly reports
22 to the liquor ~~((control))~~ and cannabis board on wine purchased during
23 the preceding calendar month in the manner and upon such forms as may
24 be prescribed by the board.

25 (2) An additional tax is imposed equal to the rate specified in
26 RCW 82.02.030 multiplied by the tax payable under subsection (1) of
27 this section. All revenues collected during any month from this
28 additional tax ~~((shall))~~ must be transferred to the state general
29 fund by the twenty-fifth day of the following month.

30 (3) An additional tax is imposed on wines subject to tax under
31 subsection (1) of this section, at the rate of one-fourth of one cent
32 per liter for wine sold after June 30, 1987. After June 30, 1996,
33 such additional tax does not apply to cider. An additional tax of
34 five one-hundredths of one cent per liter is imposed on cider sold
35 after June 30, 1996. All revenues collected under this subsection (3)
36 ~~((shall))~~ must be disbursed quarterly to the Washington wine
37 commission for use in carrying out the purposes of chapter 15.88 RCW.

38 (4) An additional tax is imposed on all wine subject to tax under
39 subsection (1) of this section. The additional tax is equal to
40 twenty-three and forty-four one-hundredths cents per liter on

1 fortified wine as defined in RCW 66.04.010 when bottled or packaged
2 by the manufacturer, one cent per liter on all other wine except
3 cider, and eighteen one-hundredths of one cent per liter on cider.
4 All revenues collected during any month from this additional tax
5 (~~shall~~) must be deposited in the state general fund by the twenty-
6 fifth day of the following month.

7 (5)(a) An additional tax is imposed on all cider subject to tax
8 under subsection (1) of this section. The additional tax is equal to
9 two and four one-hundredths cents per liter of cider sold after June
10 30, 1996, and before July 1, 1997, and is equal to four and seven
11 one-hundredths cents per liter of cider sold after June 30, 1997.

12 (b) All revenues collected from the additional tax imposed under
13 this subsection (5) (~~shall~~) must be deposited in the state general
14 fund.

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

22 (7) For the purposes of this section, out-of-state wineries
23 (~~shall~~) must pay taxes under this section on wine sold and shipped
24 directly to Washington state residents in a manner consistent with
25 the requirements of a wine distributor under subsections (1) through
26 (4) of this section, except wineries (~~shall be~~) are responsible for
27 the tax and not the resident purchaser.

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

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