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**HOUSE BILL 1587**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Shavers and Lekanoff

AN ACT Relating to a spirits tax exemption on spirits purchased on military bases for use as fund-raising prizes by veterans' service organizations; adding a new section to chapter 82.08 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  A new section is added to chapter 82.08 RCW to read as follows:

(1) Beginning January 1, 2024, the tax levied by RCW 82.08.150 does not apply to sales of spirits purchased on a military base by a Washington veterans' service organization that is used as a fund-raising prize for a veterans' service organization fund-raising event.

(2) For purposes of this section, "veterans' service organization" means a nonprofit entity whose principal focus is raising funds to assist veterans of the armed forces of the United States and meets at least one of the following criteria:

(a) An organization exempt from tax under section 501(c) (3), (4), or (10) of the internal revenue code;

(b) A nonprofit organization that would qualify under (a) of this subsection except that it is not organized as a nonprofit corporation; or

(c) A nonprofit organization if:

(i) The members, stockholders, officers, directors, or trustees of the organization do not receive any part of the organization's gross income, except as payment for services rendered; and

(ii) The compensation received by any person for services rendered to the organization does not exceed an amount reasonable under the circumstances.

NEW SECTION. **Sec.**  RCW 82.32.805 and 82.32.808 do not apply to this act.

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