

SSB 5368 - S AMD 197
By Senator Saldaña

ADOPTED 03/11/2025

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The Washington state institute for
4 public policy must conduct a study regarding Washington state's
5 current system of alcohol taxation and fees and produce a final
6 report as described in this section. The report is specific to taxes
7 and fees where the amount of the tax or fee is based on the sales
8 price, sales volume, or alcohol content of the alcohol product.

9 (2) The final report must include the following information:

10 (a) The specific types of state taxes and fees applicable to
11 spirits, beer, and wine, by product category, and including general
12 taxes such as sales and business and occupation taxes;

13 (b) Current and historical tax and fee rates by tax or fee type;

14 (c) Annual sales in the state of spirits, wine, and beer in total
15 and per capita over the past five years;

16 (d) Annual spirits, wine, and beer tax and fee revenues generated
17 in the state over the past five years in total and by tax or fee
18 type;

19 (e) Annual spirits, wine, and beer tax and fee revenues per
20 capita generated in the state over the past five years in total and
21 by tax or fee type;

22 (f) To the extent practicable, all of the following:

23 (i) An analysis of total and per capita spirits sales and related
24 tax and fee revenues in other states, differentiated by whether the
25 sale of off-premises spirits is controlled by the state or allowed by
26 licensed private entities;

27 (ii) An analysis of total and per capita spirits sales and
28 related tax and fee revenues in other states and countries
29 differentiated by whether spirits taxation is based on volume, price,
30 or alcohol content;

31 (iii) An analysis of total and per capita spirits, beer, and wine
32 sales and tax and fee revenues in this state and other states by each

1 applicable unit of measurement of alcohol content and volume,
2 differentiated by product category;

3 (iv) The information required in (c), (d), and (e) of this
4 subsection ranging from 2008 to 2020;

5 (v) Estimated costs to transition to a tax system in the state
6 where tax rates are determined solely by the alcohol content of
7 products, the estimated annual costs to administer this system, and
8 the estimated tax revenue of this system;

9 (vi) Estimated tax rates for spirits, beer, and wine that would
10 have to be applied to maintain a revenue neutral tax system in the
11 state if tax rates were based solely on the alcohol content of
12 products; and

13 (vii) An analysis of the economic impact of the state's
14 breweries, wineries, and distilleries, and potential changes to the
15 economic impact if tax rates were based solely on the alcohol content
16 of products. For the purposes of this subsection, "economic impact"
17 includes the number and average wage of local jobs.

18 (3) The Washington state institute for public policy must submit
19 a final report to the relevant committees of the legislature by June
20 30, 2026.

21 (4) The liquor and cannabis board and department of revenue must
22 cooperate with the Washington state institute for public policy to
23 provide data relevant to this study.

24 (5) This section expires July 1, 2026."

SSB 5368 - S AMD 197
By Senator Saldaña

ADOPTED 03/11/2025

25 On page 1, line 1 of the title, after "alcohol;" strike the
26 remainder of the title and insert "creating a new section; and
27 providing an expiration date."

EFFECT: Requires the final report to include specified
information including, to the extent practicable, an analysis of the
economic impact of the state's breweries, wineries, and distilleries,
and potential changes to the economic impact if tax rates were based
solely on the alcohol content of products. Revises the deadline for

the final report from December 31, 2025, to June 30, 2026. Revises the expiration date to July 1, 2026.

--- END ---