

Initiative Measure No. 1086

FILED

APR 13 2010

SECRETARY OF STATE
STATE OF WASHINGTON

1 AN ACT, Relating to eliminating the recent beer tax increase;
2 amending RCW 66.24.290; and creating new sections.

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

4 INTENT

5 NEW SECTION. Sec. 1. Beer is already heavily taxed and should not
6 be subjected to extra taxes, especially during these tough economic
7 times. This measure would eliminate the recent beer tax increase
8 imposed by the 2010 legislature.

9 PROTECTING TAXPAYERS BY ELIMINATING THE RECENT BEER TAX INCREASE

10 Sec. 2. RCW 66.24.290 and 2010 1st sp.s c ... (2ESSB 6143) s 1301
11 are each amended to read as follows:

12 (1) Any microbrewer or domestic brewery or beer distributor
13 licensed under this title may sell and deliver beer and strong beer to
14 holders of authorized licenses direct, but to no other person, other
15 than the board. Any certificate of approval holder authorized to act

1 as a distributor under RCW 66.24.270 shall pay the taxes imposed by
2 this section.

3 (a) Every such brewery or beer distributor shall report all sales
4 to the board monthly, pursuant to the regulations, and shall pay to the
5 board as an added tax for the privilege of manufacturing and selling
6 the beer and strong beer within the state a tax of one dollar and
7 thirty cents per barrel of thirty-one gallons on sales to licensees
8 within the state and on sales to licensees within the state of bottled
9 and canned beer, including strong beer, shall pay a tax computed in
10 gallons at the rate of one dollar and thirty cents per barrel of
11 thirty-one gallons.

12 (b) Any brewery or beer distributor whose applicable tax payment is
13 not postmarked by the twentieth day following the month of sale will be
14 assessed a penalty at the rate of two percent per month or fraction
15 thereof. Beer and strong beer shall be sold by breweries and
16 distributors in sealed barrels or packages.

17 (c) The moneys collected under this subsection shall be distributed
18 as follows: (i) Three-tenths of a percent shall be distributed to
19 border areas under RCW 66.08.195; and (ii) of the remaining moneys:
20 (A) Twenty percent shall be distributed to counties in the same manner
21 as under RCW 66.08.200; and (B) eighty percent shall be distributed to
22 incorporated cities and towns in the same manner as under RCW
23 66.08.210.

24 (d) Any licensed retailer authorized to purchase beer from a
25 certificate of approval holder with a direct shipment endorsement or a
26 brewery or microbrewery shall make monthly reports to the liquor
27 control board on beer purchased during the preceding calendar month in
28 the manner and upon such forms as may be prescribed by the board.

29 (2) An additional tax is imposed on all beer and strong beer
30 subject to tax under subsection (1) of this section. The additional
31 tax is equal to two dollars per barrel of thirty-one gallons. All
32 revenues collected during any month from this additional tax shall be
33 deposited in the state general fund by the twenty-fifth day of the
34 following month.

35 (3)(a) An additional tax is imposed on all beer and strong beer
36 subject to tax under subsection (1) of this section. The additional
37 tax is equal to ninety-six cents per barrel of thirty-one gallons
38 through June 30, 1995, two dollars and thirty-nine cents per barrel of

1 thirty-one gallons for the period July 1, 1995, through June 30, 1997,
2 and four dollars and seventy-eight cents per barrel of thirty-one
3 gallons thereafter.

4 (b) The additional tax imposed under this subsection does not apply
5 to the sale of the first sixty thousand barrels of beer each year by
6 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
7 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may
8 be provided by the board by rule consistent with the purposes of this
9 exemption.

10 (c) All revenues collected from the additional tax imposed under
11 this subsection (3) shall be deposited in the state general fund.

12 (4) An additional tax is imposed on all beer and strong beer that
13 is subject to tax under subsection (1) of this section that is in the
14 first sixty thousand barrels of beer and strong beer by breweries that
15 are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as
16 existing on July 1, 1993, or such subsequent date as may be provided by
17 the board by rule consistent with the purposes of the exemption under
18 subsection (3)(b) of this section. The additional tax is equal to one
19 dollar and forty-eight and two-tenths cents per barrel of thirty-one
20 gallons. By the twenty-fifth day of the following month, three percent
21 of the revenues collected from this additional tax shall be distributed
22 to border areas under RCW 66.08.195 and the remaining moneys shall be
23 transferred to the state general fund.

24 ~~(5) ((a) From June 1, 2010, through June 30, 2013, an additional~~
25 ~~tax is imposed on all beer and strong beer subject to tax under~~
26 ~~subsection (1) of this section. The additional tax is equal to fifteen~~
27 ~~dollars and fifty cents per barrel of thirty one gallons.~~

28 ~~(b) The additional tax imposed under this subsection does not apply~~
29 ~~to the sale of the first sixty thousand barrels of beer each year by~~
30 ~~breweries that are entitled to a reduced rate of tax under 26 U.S.C.~~
31 ~~Sec. 5051 of the federal internal revenue code, as existing on July 1,~~
32 ~~1993, or such subsequent date as may be provided by the board by rule~~
33 ~~consistent with the purposes of this exemption.~~

34 ~~(c) All revenues collected from the additional tax imposed under~~
35 ~~this subsection shall be deposited in the state general fund.~~

36 ~~(6))~~ The board may make refunds for all taxes paid on beer and
37 strong beer exported from the state for use outside the state.

1 (~~(7)~~) (6) The board may require filing with the board of a bond
2 to be approved by it, in such amount as the board may fix, securing the
3 payment of the tax. If any licensee fails to pay the tax when due, the
4 board may forthwith suspend or cancel his or her license until all
5 taxes are paid.

6

CONSTRUCTION CLAUSE

7 NEW SECTION. **Sec. 3.** The provisions of this act are to be
8 liberally construed to effectuate the intent, policies, and purposes of
9 this act.

10

SEVERABILITY CLAUSE

11 NEW SECTION. **Sec. 4.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

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STOP THE BEER TAX INCREASE ACT

16 NEW SECTION. **Sec. 5.** This act shall be known and cited as the
17 stop the beer tax increase act of 2010.

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