
SENATE BILL 5049

State of Washington

67th Legislature

2021 Regular Session

By Senators King and Billig

Prefiled 12/31/20.

1 AN ACT Relating to taxation of low-proof beverages; amending RCW
2 66.24.630 and 82.08.150; reenacting and amending RCW 66.04.010; and
3 adding a new chapter to Title 82 RCW.

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

5 **Sec. 1.** RCW 66.04.010 and 2019 c 61 s 1 are each reenacted and
6 amended to read as follows:

7 In this title, unless the context otherwise requires:

8 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
9 oxide of ethyl, or spirit of wine, which is commonly produced by the
10 fermentation or distillation of grain, starch, molasses, or sugar, or
11 other substances including all dilutions and mixtures of this
12 substance. The term "alcohol" does not include alcohol in the
13 possession of a manufacturer or distiller of alcohol fuel, as
14 described in RCW 66.12.130, which is intended to be denatured and
15 used as a fuel for use in motor vehicles, farm implements, and
16 machines or implements of husbandry.

17 (2) "Authorized representative" means a person who:

18 (a) Is required to have a federal basic permit issued pursuant to
19 the federal alcohol administration act, 27 U.S.C. Sec. 204;

20 (b) Has its business located in the United States outside of the
21 state of Washington;

1 (c) Acquires ownership of beer or wine for transportation into
2 and resale in the state of Washington; and which beer or wine is
3 produced by a brewery or winery in the United States outside of the
4 state of Washington; and

5 (d) Is appointed by the brewery or winery referenced in (c) of
6 this subsection as its authorized representative for marketing and
7 selling its products within the United States in accordance with a
8 written agreement between the authorized representative and such
9 brewery or winery pursuant to this title.

10 (3) "Beer" means any malt beverage, flavored malt beverage, or
11 malt liquor as these terms are defined in this chapter.

12 (4) "Beer distributor" means a person who buys beer from a
13 domestic brewery, microbrewery, beer certificate of approval holder,
14 or beer importers, or who acquires foreign produced beer from a
15 source outside of the United States, for the purpose of selling the
16 same pursuant to this title, or who represents such brewer or brewery
17 as agent.

18 (5) "Beer importer" means a person or business within Washington
19 who purchases beer from a beer certificate of approval holder or who
20 acquires foreign produced beer from a source outside of the United
21 States for the purpose of selling the same pursuant to this title.

22 (6) "Board" means the liquor and cannabis board, constituted
23 under this title.

24 (7) "Brewer" or "brewery" means any person engaged in the
25 business of manufacturing beer and malt liquor. Brewer includes a
26 brand owner of malt beverages who holds a brewer's notice with the
27 federal bureau of alcohol, tobacco, and firearms at a location
28 outside the state and whose malt beverage is contract-produced by a
29 licensed in-state brewery, and who may exercise within the state,
30 under a domestic brewery license, only the privileges of storing,
31 selling to licensed beer distributors, and exporting beer from the
32 state.

33 (8) "Club" means an organization of persons, incorporated or
34 unincorporated, operated solely for fraternal, benevolent,
35 educational, athletic, or social purposes, and not for pecuniary
36 gain.

37 (9) "Confection" means a preparation of sugar, honey, or other
38 natural or artificial sweeteners in combination with chocolate,
39 fruits, nuts, dairy products, or flavorings, in the form of bars,
40 drops, or pieces.

- 1 (10) "Consume" includes the putting of liquor to any use, whether
2 by drinking or otherwise.
- 3 (11) "Contract liquor store" means a business that sells liquor
4 on behalf of the board through a contract with a contract liquor
5 store manager.
- 6 (12) "Craft distillery" means a distillery that pays the reduced
7 licensing fee under RCW 66.24.140.
- 8 (13) "Dentist" means a practitioner of dentistry duly and
9 regularly licensed and engaged in the practice of his or her
10 profession within the state pursuant to chapter 18.32 RCW.
- 11 (14) "Distiller" means a person engaged in the business of
12 distilling spirits.
- 13 (15) "Domestic brewery" means a place where beer and malt liquor
14 are manufactured or produced by a brewer within the state.
- 15 (16) "Domestic winery" means a place where wines are manufactured
16 or produced within the state of Washington.
- 17 (17) "Drug store" means a place whose principal business is, the
18 sale of drugs, medicines, and pharmaceutical preparations and
19 maintains a regular prescription department and employs a registered
20 pharmacist during all hours the drug store is open.
- 21 (18) "Druggist" means any person who holds a valid certificate
22 and is a registered pharmacist and is duly and regularly engaged in
23 carrying on the business of pharmaceutical chemistry pursuant to
24 chapter 18.64 RCW.
- 25 (19) "Employee" means any person employed by the board.
- 26 (20) "Flavored malt beverage" means:
- 27 (a) A malt beverage containing six percent or less alcohol by
28 volume to which flavoring or other added nonbeverage ingredients are
29 added that contain distilled spirits of not more than (~~forty-nine~~)
30 49 percent of the beverage's overall alcohol content; or
- 31 (b) A malt beverage containing more than six percent alcohol by
32 volume to which flavoring or other added nonbeverage ingredients are
33 added that contain distilled spirits of not more than one and
34 one-half percent of the beverage's overall alcohol content.
- 35 (21) "Fund" means 'liquor revolving fund.'
- 36 (22) "Hotel" means buildings, structures, and grounds, having
37 facilities for preparing, cooking, and serving food, that are kept,
38 used, maintained, advertised, or held out to the public to be a place
39 where food is served and sleeping accommodations are offered for pay
40 to transient guests, in which (~~twenty~~) 20 or more rooms are used

1 for the sleeping accommodation of such transient guests. The
2 buildings, structures, and grounds must be located on adjacent
3 property either owned or leased by the same person or persons.

4 (23) "Importer" means a person who buys distilled spirits from a
5 distillery outside the state of Washington and imports such
6 spirituous liquor into the state for sale to the board or for export.

7 (24) "Imprisonment" means confinement in the county jail.

8 (25) "Liquor" includes the four varieties of liquor herein
9 defined (alcohol, spirits, wine, and beer), and all fermented,
10 spirituous, vinous, or malt liquor, or combinations thereof, and
11 mixed liquor, a part of which is fermented, spirituous, vinous or
12 malt liquor, or otherwise intoxicating; and every liquid or solid or
13 semisolid or other substance, patented or not, containing alcohol,
14 spirits, wine, or beer, and all drinks or drinkable liquids and all
15 preparations or mixtures capable of human consumption, and any
16 liquid, semisolid, solid, or other substance, which contains more
17 than one percent of alcohol by weight shall be conclusively deemed to
18 be intoxicating. Liquor does not include confections or food products
19 that contain one percent or less of alcohol by weight.

20 (26) "Low-proof beverage" means any beverage that contains more
21 than .5 percent alcohol by volume and less than seven percent alcohol
22 by volume, but does not include wine, malt beverages, or malt liquor.

23 (27) "Malt beverage" or "malt liquor" means any beverage such as
24 beer, ale, lager beer, stout, and porter obtained by the alcoholic
25 fermentation of an infusion or decoction of pure hops, or pure
26 extract of hops and pure barley malt or other wholesome grain or
27 cereal in pure water containing not more than eight percent of
28 alcohol by weight, and not less than one-half of one percent of
29 alcohol by volume. For the purposes of this title, any such beverage
30 containing more than eight percent of alcohol by weight shall be
31 referred to as "strong beer."

32 ~~((27))~~ (28) "Manufacturer" means a person engaged in the
33 preparation of liquor for sale, in any form whatsoever.

34 ~~((28))~~ (29) "Nightclub" means an establishment that provides
35 entertainment and has as its primary source of revenue (a) the sale
36 of alcohol for consumption on the premises, (b) cover charges, or (c)
37 both.

38 ~~((29))~~ (30) "Package" means any container or receptacle used
39 for holding liquor.

1 (~~(30)~~) (31) "Passenger vessel" means any boat, ship, vessel,
2 barge, or other floating craft of any kind carrying passengers for
3 compensation.

4 (~~(31)~~) (32) "Permit" means a permit for the purchase of liquor
5 under this title.

6 (~~(32)~~) (33) "Person" means an individual, copartnership,
7 association, or corporation.

8 (~~(33)~~) (34) "Physician" means a medical practitioner duly and
9 regularly licensed and engaged in the practice of his or her
10 profession within the state pursuant to chapter 18.71 RCW.

11 (~~(34)~~) (35) "Powdered alcohol" means any powder or crystalline
12 substance containing alcohol that is produced for direct use or
13 reconstitution.

14 (~~(35)~~) (36) "Prescription" means a memorandum signed by a
15 physician and given by him or her to a patient for the obtaining of
16 liquor pursuant to this title for medicinal purposes.

17 (~~(36)~~) (37) "Public place" includes streets and alleys of
18 incorporated cities and towns; state or county or township highways
19 or roads; buildings and grounds used for school purposes; public
20 dance halls and grounds adjacent thereto; those parts of
21 establishments where beer may be sold under this title, soft drink
22 establishments, public buildings, public meeting halls, lobbies,
23 halls and dining rooms of hotels, restaurants, theatres, stores,
24 garages and filling stations which are open to and are generally used
25 by the public and to which the public is permitted to have
26 unrestricted access; railroad trains, stages, and other public
27 conveyances of all kinds and character, and the depots and waiting
28 rooms used in conjunction therewith which are open to unrestricted
29 use and access by the public; publicly owned bathing beaches, parks,
30 and/or playgrounds; and all other places of like or similar nature to
31 which the general public has unrestricted right of access, and which
32 are generally used by the public.

33 (~~(37)~~) (38) "Regulations" means regulations made by the board
34 under the powers conferred by this title.

35 (~~(38)~~) (39) "Restaurant" means any establishment provided with
36 special space and accommodations where, in consideration of payment,
37 food, without lodgings, is habitually furnished to the public, not
38 including drug stores and soda fountains.

39 (~~(39)~~) (40) "Sale" and "sell" include exchange, barter, and
40 traffic; and also include the selling or supplying or distributing,

1 by any means whatsoever, of liquor, or of any liquid known or
2 described as beer or by any name whatever commonly used to describe
3 malt or brewed liquor or of wine, by any person to any person; and
4 also include a sale or selling within the state to a foreign
5 consignee or his or her agent in the state. "Sale" and "sell" shall
6 not include the giving, at no charge, of a reasonable amount of
7 liquor by a person not licensed by the board to a person not licensed
8 by the board, for personal use only. "Sale" and "sell" also does not
9 include a raffle authorized under RCW 9.46.0315: PROVIDED, That the
10 nonprofit organization conducting the raffle has obtained the
11 appropriate permit from the board.

12 ~~((40))~~ (41) "Service bar" means a fixed or portable table,
13 counter, cart, or similar workstation primarily used to prepare, mix,
14 serve, and sell alcohol that is picked up by employees or customers.
15 Customers may not be seated or allowed to consume food or alcohol at
16 a service bar.

17 ~~((41))~~ (42) "Soda fountain" means a place especially equipped
18 with apparatus for the purpose of dispensing soft drinks, whether
19 mixed or otherwise.

20 ~~((42))~~ (43) "Soju" means a traditional Korean distilled
21 alcoholic beverage, produced using authentic Korean recipes and
22 production methods, and derived from agricultural products, that
23 contains not more than ~~((twenty-four))~~ 24 percent of alcohol by
24 volume.

25 ~~((43))~~ (44) "Spirits" means any beverage which contains alcohol
26 obtained by distillation, except flavored malt beverages, but
27 including wines exceeding ~~((twenty-four))~~ 24 percent of alcohol by
28 volume.

29 ~~((44))~~ (45) "Store" means a state liquor store established
30 under this title.

31 ~~((45))~~ (46) "Tavern" means any establishment with special space
32 and accommodation for sale by the glass and for consumption on the
33 premises, of beer, as herein defined.

34 ~~((46))~~ (47) "VIP airport lounge" means an establishment within
35 an international airport located beyond security checkpoints that
36 provides a special space to sit, relax, read, work, and enjoy
37 beverages where access is controlled by the VIP airport lounge
38 operator and is generally limited to the following classifications of
39 persons:

1 (a) Airline passengers of any age whose admission is based on a
2 first-class, executive, or business class ticket;

3 (b) Airline passengers of any age who are qualified members or
4 allowed guests of certain frequent flyer or other loyalty incentive
5 programs maintained by airlines that have agreements describing the
6 conditions for access to the VIP airport lounge;

7 (c) Airline passengers of any age who are qualified members or
8 allowed guests of certain enhanced amenities programs maintained by
9 companies that have agreements describing the conditions for access
10 to the VIP airport lounge;

11 (d) Airport and airline employees, government officials, foreign
12 dignitaries, and other attendees of functions held by the airport
13 authority or airlines related to the promotion of business objectives
14 such as increasing international air traffic and enhancing foreign
15 trade where access to the VIP airport lounge will be controlled by
16 the VIP airport lounge operator; and

17 (e) Airline passengers of any age or airline employees whose
18 admission is based on a pass issued or permission given by the
19 airline for access to the VIP airport lounge.

20 (~~((47))~~) (48) "VIP airport lounge operator" means an airline,
21 port district, or other entity operating a VIP airport lounge that:
22 Is accountable for compliance with the alcohol beverage control act
23 under this title; holds the license under chapter 66.24 RCW issued to
24 the VIP airport lounge; and provides a point of contact for
25 addressing any licensing and enforcement by the board.

26 (~~((48))~~) (49) (a) "Wine" means any alcoholic beverage obtained by
27 fermentation of fruits (grapes, berries, apples, et cetera) or other
28 agricultural product containing sugar, to which any saccharine
29 substances may have been added before, during or after fermentation,
30 and containing not more than (~~((twenty-four))~~) 24 percent of alcohol by
31 volume, including sweet wines fortified with wine spirits, such as
32 port, sherry, muscatel, and angelica, not exceeding (~~((twenty-four))~~)
33 24 percent of alcohol by volume and not less than one-half of one
34 percent of alcohol by volume. For purposes of this title, any
35 beverage containing no more than (~~((fourteen))~~) 14 percent of alcohol
36 by volume when bottled or packaged by the manufacturer shall be
37 referred to as "table wine," and any beverage containing alcohol in
38 an amount more than (~~((fourteen))~~) 14 percent by volume when bottled or
39 packaged by the manufacturer shall be referred to as "fortified
40 wine." However, "fortified wine" shall not include: (i) Wines that

1 are both sealed or capped by cork closure and aged two years or more;
2 and (ii) wines that contain more than (~~fourteen~~) 14 percent alcohol
3 by volume solely as a result of the natural fermentation process and
4 that have not been produced with the addition of wine spirits,
5 brandy, or alcohol.

6 (b) This subsection shall not be interpreted to require that any
7 wine be labeled with the designation "table wine" or "fortified
8 wine."

9 (~~(49)~~) (50) "Wine distributor" means a person who buys wine
10 from a domestic winery, wine certificate of approval holder, or wine
11 importer, or who acquires foreign produced wine from a source outside
12 of the United States, for the purpose of selling the same not in
13 violation of this title, or who represents such vintner or winery as
14 agent.

15 (~~(50)~~) (51) "Wine importer" means a person or business within
16 Washington who purchases wine from a wine certificate of approval
17 holder or who acquires foreign produced wine from a source outside of
18 the United States for the purpose of selling the same pursuant to
19 this title.

20 (~~(51)~~) (52) "Winery" means a business conducted by any person
21 for the manufacture of wine for sale, other than a domestic winery.

22 **Sec. 2.** RCW 66.24.630 and 2020 c 238 s 9 are each amended to
23 read as follows:

24 (1) There is a spirits retail license to: Sell spirits in
25 original containers to consumers for consumption off the licensed
26 premises and to permit holders; sell spirits in original containers
27 to retailers licensed to sell spirits for consumption on the
28 premises, for resale at their licensed premises according to the
29 terms of their licenses, although no single sale may exceed (~~twenty-~~
30 ~~four~~) 24 liters, unless the sale is by a licensee that was a
31 contract liquor store manager of a contract liquor store at the
32 location of its spirits retail licensed premises from which it makes
33 such sales; and export spirits.

34 (2) For the purposes of this title, a spirits retail license is a
35 retail license, and a sale by a spirits retailer is a retail sale
36 only if not for resale. Nothing in this title authorizes sales by on-
37 sale licensees to other retail licensees. The board must establish by
38 rule an obligation of on-sale spirits retailers to:

1 (a) Maintain a schedule by stock-keeping unit of all their
2 purchases of spirits from spirits retail licensees, including
3 combination spirits, beer, and wine licensees holding a license
4 issued pursuant to RCW 66.24.035, indicating the identity of the
5 seller and the quantities purchased; and

6 (b) Provide, not more frequently than quarterly, a report for
7 each scheduled item containing the identity of the purchasing on-
8 premises licensee and the quantities of that scheduled item purchased
9 since any preceding report to:

10 (i) A distributor authorized by the distiller to distribute a
11 scheduled item in the on-sale licensee's geographic area; or

12 (ii) A distiller acting as distributor of the scheduled item in
13 the area.

14 (3)(a) Except as otherwise provided in (c) of this subsection,
15 the board may issue spirits retail licenses only for premises
16 comprising at least ten thousand square feet of fully enclosed retail
17 space within a single structure, including storerooms and other
18 interior auxiliary areas but excluding covered or fenced exterior
19 areas, whether or not attached to the structure, and only to
20 applicants that the board determines will maintain systems for
21 inventory management, employee training, employee supervision, and
22 physical security of the product substantially as effective as those
23 of stores currently operated by the board with respect to preventing
24 sales to or pilferage by underage or inebriated persons.

25 (b) License issuances and renewals are subject to RCW 66.24.010
26 and the regulations adopted thereunder, including without limitation
27 rights of cities, towns, county legislative authorities, the public,
28 churches, schools, and public institutions to object to or prevent
29 issuance of local liquor licenses. However, existing grocery premises
30 licensed to sell beer and/or wine are deemed to be premises "now
31 licensed" under RCW 66.24.010(9)(a) for the purpose of processing
32 applications for spirits retail licenses.

33 (c) The board may not deny a spirits retail license to an
34 otherwise qualified contract liquor store at its contract location or
35 to the holder of former state liquor store operating rights sold at
36 auction under RCW 66.24.620 on the grounds of location, nature, or
37 size of the premises to be licensed. The board may not deny a spirits
38 retail license to applicants that are not contract liquor stores or
39 operating rights holders on the grounds of the size of the premises

1 to be licensed, if such applicant is otherwise qualified and the
2 board determines that:

3 (i) There is no spirits retail license holder in the trade area
4 that the applicant proposes to serve;

5 (ii) The applicant meets, or upon licensure will meet, the
6 operational requirements established by the board by rule; and

7 (iii) The licensee has not committed more than one public safety
8 violation within the three years preceding application.

9 (d) A retailer authorized to sell spirits for consumption on or
10 off the licensed premises may accept delivery of spirits at its
11 licensed premises, at another licensed premises as designated by the
12 retailer, or at one or more warehouse facilities registered with the
13 board, which facilities may also warehouse and distribute nonliquor
14 items, and from which the retailer may deliver to its own licensed
15 premises and, pursuant to sales permitted under subsection (1) of
16 this section:

17 (i) To other retailer premises licensed to sell spirits for
18 consumption on the licensed premises;

19 (ii) To other registered facilities; or

20 (iii) To lawful purchasers outside the state. The facilities may
21 be registered and utilized by associations, cooperatives, or
22 comparable groups of retailers, including at least one retailer
23 licensed to sell spirits.

24 (e) For purposes of negotiating volume discounts, a group of
25 individual retailers authorized to sell spirits for consumption off
26 the licensed premises may accept delivery of spirits at their
27 individual licensed premises or at any one of the individual
28 licensee's premises, or at a warehouse facility registered with the
29 board.

30 (4) (a) Except as otherwise provided in RCW 66.24.632, or in (b)
31 or (c) of this subsection, each spirits retail licensee must pay to
32 the board, for deposit into the liquor revolving fund, a license
33 issuance fee equivalent to (~~seventeen~~) 17 percent of all spirits
34 sales revenues under the license, exclusive of taxes collected by the
35 licensee and of sales of items on which a license fee payable under
36 this section has otherwise been incurred. The board must establish
37 rules setting forth the timing of such payments and reporting of
38 sales dollar volume by the licensee, with payments required quarterly
39 in arrears. The first payment is due October 1, 2012.

1 (b) This subsection (4) does not apply to craft distilleries for
2 sales of spirits of the craft distillery's own production.

3 (c) This subsection (4) does not apply to sales of low-proof
4 beverages.

5 (5) In addition to the payment required under subsection (4) of
6 this section, each licensee must pay an annual license renewal fee of
7 (~~one hundred sixty-six dollars~~) \$166. The board must periodically
8 review and adjust the renewal fee as may be required to maintain it
9 as comparable to annual license renewal fees for licenses to sell
10 beer and wine not for consumption on the licensed premises. If
11 required by law at the time, any increase of the annual renewal fee
12 becomes effective only upon ratification by the legislature.

13 (6) As a condition to receiving and renewing a spirits retail
14 license the licensee must provide training as prescribed by the board
15 by rule for individuals who sell spirits or who manage others who
16 sell spirits regarding compliance with laws and regulations regarding
17 sale of spirits, including without limitation the prohibitions
18 against sale of spirits to individuals who are underage or visibly
19 intoxicated. The training must be provided before the individual
20 first engages in the sale of spirits and must be renewed at least
21 every five years. The licensee must maintain records documenting the
22 nature and frequency of the training provided. An employee training
23 program is presumptively sufficient if it incorporates a "responsible
24 vendor program" adopted by the board.

25 (7) The maximum penalties prescribed by the board in WAC
26 314-29-020 through 314-29-040 relating to fines and suspensions are
27 doubled for violations relating to the sale of spirits by spirits
28 retail licensees.

29 (8)(a) The board must adopt regulations concerning the adoption
30 and administration of a compliance training program for spirits
31 retail licensees, to be known as a "responsible vendor program," to
32 reduce underage drinking, encourage licensees to adopt specific best
33 practices to prevent sales to minors, and provide licensees with an
34 incentive to give their employees ongoing training in responsible
35 alcohol sales and service.

36 (b) Licensees who join the responsible vendor program under this
37 section and maintain all of the program's requirements are not
38 subject to the doubling of penalties provided in this section for a
39 single violation in any period of twelve calendar months.

1 (c) The responsible vendor program must be free, voluntary, and
2 self-monitoring.

3 (d) To participate in the responsible vendor program, licensees
4 must submit an application form to the board. If the application
5 establishes that the licensee meets the qualifications to join the
6 program, the board must send the licensee a membership certificate.

7 (e) A licensee participating in the responsible vendor program
8 must at a minimum:

9 (i) Provide ongoing training to employees;

10 (ii) Accept only certain forms of identification for alcohol
11 sales;

12 (iii) Adopt policies on alcohol sales and checking
13 identification;

14 (iv) Post specific signs in the business; and

15 (v) Keep records verifying compliance with the program's
16 requirements.

17 (f) (i) A spirits retail licensee that also holds a grocery store
18 license under RCW 66.24.360 or a beer and/or wine specialty shop
19 license under RCW 66.24.371 may, upon board approval and pursuant to
20 board rules, transition to a combination spirits, beer, and wine
21 license pursuant to RCW 66.24.035.

22 (ii) An applicant that would qualify for a spirits retail license
23 under this section and that qualifies for a combination spirits,
24 beer, and wine license pursuant to RCW 66.24.035 may apply for a
25 license pursuant to RCW 66.24.035 instead of applying for a spirits
26 retail license under this section.

27 NEW SECTION. **Sec. 3.** (1) There is levied and collected a tax on
28 the distribution and sale of low-proof beverages equal to 99 cents
29 per gallon.

30 (a) A distillery or craft distillery that self-distributes low-
31 proof beverages under the terms of its license shall pay the tax
32 imposed by this section on sales to retailers.

33 (b) A distillery or craft distillery that sells low-proof
34 beverages directly to consumers under the terms of its license shall
35 pay the tax imposed by this section on those sales.

36 (2) The taxes on spirits in RCW 82.08.150 (1) through (7) do not
37 apply to the sale of low-proof beverages.

38 (3) The spirits retail license issuance fee in RCW 66.24.630(4)
39 does not apply to sales of low-proof beverages.

1 (4) For the purposes of this section, "low-proof beverage" and
2 "spirits" have the same meaning as provided in chapter 66.04 RCW.

3 **Sec. 4.** RCW 82.08.150 and 2012 c 2 s 106 are each amended to
4 read as follows:

5 (1) There is levied and collected a tax upon each retail sale of
6 spirits in the original package at the rate of (~~(fifteen)~~) 15 percent
7 of the selling price.

8 (2) There is levied and collected a tax upon each sale of spirits
9 in the original package at the rate of (~~(ten)~~) 10 percent of the
10 selling price on sales by a spirits distributor licensee or other
11 licensee acting as a spirits distributor pursuant to Title 66 RCW to
12 restaurant spirits retailers.

13 (3) There is levied and collected an additional tax upon each
14 sale of spirits in the original package by a spirits distributor
15 licensee or other licensee acting as a spirits distributor pursuant
16 to Title 66 RCW to a restaurant spirits retailer and upon each retail
17 sale of spirits in the original package by a licensee of the board at
18 the rate of one dollar and (~~(seventy-two)~~) 72 cents per liter.

19 (4) An additional tax is imposed equal to (~~(fourteen)~~) 14 percent
20 multiplied by the taxes payable under subsections (1), (2), and (3)
21 of this section.

22 (5) An additional tax is imposed upon each sale of spirits in the
23 original package by a spirits distributor licensee or other licensee
24 acting as a spirits distributor pursuant to Title 66 RCW to a
25 restaurant spirits retailer and upon each retail sale of spirits in
26 the original package by a licensee of the board at the rate of seven
27 cents per liter. All revenues collected during any month from this
28 additional tax must be deposited in the state general fund by the
29 (~~(twenty-fifth)~~) 25th day of the following month.

30 (6)(a) An additional tax is imposed upon retail sale of spirits
31 in the original package at the rate of three and four-tenths percent
32 of the selling price.

33 (b) An additional tax is imposed upon retail sale of spirits in
34 the original package to a restaurant spirits retailer at the rate of
35 two and three-tenths percent of the selling price.

36 (c) An additional tax is imposed upon each sale of spirits in the
37 original package by a spirits distributor licensee or other licensee
38 acting as a spirits distributor pursuant to Title 66 RCW to a
39 restaurant spirits retailer and upon each retail sale of spirits in

1 the original package by a licensee of the board at the rate of
2 (~~forty-one~~) 41 cents per liter.

3 (d) All revenues collected during any month from additional taxes
4 under this subsection must be deposited in the state general fund by
5 the (~~twenty-fifth~~) 25th day of the following month.

6 (7) (a) An additional tax is imposed upon each retail sale of
7 spirits in the original package at the rate of (~~one-dollar-and~~
8 ~~thirty-three-cents~~) \$1.33 per liter.

9 (b) All revenues collected during any month from additional taxes
10 under this subsection must be deposited by the (~~twenty-fifth~~) 25th
11 day of the following month into the general fund.

12 (8) The tax imposed in RCW 82.08.020 does not apply to sales of
13 spirits in the original package.

14 (9) The taxes imposed in this section must be paid by the buyer
15 to the seller, and each seller must collect from the buyer the full
16 amount of the tax payable in respect to each taxable sale under this
17 section. The taxes required by this section to be collected by the
18 seller must be stated separately from the selling price, and for
19 purposes of determining the tax due from the buyer to the seller, it
20 is conclusively presumed that the selling price quoted in any price
21 list does not include the taxes imposed by this section. Sellers must
22 report and return all taxes imposed in this section in accordance
23 with rules adopted by the department.

24 (10) The taxes imposed by this section do not apply to any low-
25 proof beverage.

26 (11) As used in this section, the terms, "spirits" and "package"
27 have the same meaning as provided in chapter 66.04 RCW.

28 NEW SECTION. **Sec. 5.** Section 3 of this act constitutes a new
29 chapter in Title 82 RCW.

--- END ---