

Selling Spirits in Washington State

MAY 2012

On-Premises Licensees

Restaurants Spirits Retailers – Restaurants, Bars, Taverns, etc. Selling spirits for on-premises consumption.

Important Dates

Now through May 31, 2012

On-premises licensees may continue purchasing spirits from state liquor stores.

March 1, 2012

On-premises licensees may purchase spirits directly from distillers and distributors. They may also sell these spirits by the drink for on-premises consumption.

How Taxes Apply

When purchasing spirits, on-premises licensees pay the spirits sales tax at the rate of **13.7 percent** of the purchase price and the spirits liter tax at the rate of **\$2.4408** per liter on all purchases of spirits in their original containers.

Spirits sales tax also applies to any amounts charged by a spirits seller for delivering spirits to the buyer's location. This includes charges designated as delivery, freight, mileage, shipping, fuel surcharge, etc. If the delivered goods include spirits and other goods that are not spirits, such as wine, beer and other tangible personal property, the spirits sales tax applies to the percentage of the delivered goods that is spirits, based on weight or selling price.

On-premises licensees are to continue to report retailing business and occupation (B&O) tax, and collect and remit retail sales tax, on all sales of spirits by the drink.

FACT SHEET

Documenting Your Spirits Purchases

Your vendor must provide you with a sales receipt or a price list that separately states the spirits taxes. You must keep these receipts or price lists to show that the spirits taxes were paid.

As an on-premises licensee, you must provide your vendor with documentation that shows you can purchase spirits at the lower spirits tax rates. Acceptable documentation includes:

- A copy of your Business License which shows the type of liquor license(s) you have, or
- A copy of the "tear off" portion of your Business License, or
- The following data elements: Taxpayer name, address, type of liquor license(s) with license number, UBI, and expiration date, or
- A printed copy of your business license as listed in the "business license search" on the licenselookup.wa.gov website.

If you do not provide documentation, the vendor must charge the higher spirits sales tax at the rate of **20.5 percent** of the selling price and spirits liter tax at the rate of **\$3.7708** per liter.

TELEPHONE INFORMATION CENTER
1-800-647-7706

[HTTP://DOR.WA.GOV/SPIRITS](http://dor.wa.gov/spirits)