

Chapter 12

Liquor Tax

66.20.010(7) - Sales of liquor to the military

Description Sales of liquor by the Liquor Cannabis Board to authorized representatives of military installations are exempt from liquor sales taxes.

Purpose This exemption covered sales of liquor made by state operated stores. Currently, there is no purpose for this exemption. The military now purchases liquor from outside the state and does not collect or remit state liquor taxes.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would not increase state revenues. The military purchases liquor from outside the state and does not collect or remit state liquor taxes.

Potential revenue gains from full repeal (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions None

Data Sources None

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1933
Primary Beneficiaries:	Military installations and military personnel
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

66.24.290(3)(b) - Microbrewers beer tax exemption

Description Microbreweries are exempt from the \$4.78 per barrel portion of the beer excise tax on the first 60,000 barrels of beer produced each year.

Purpose To mitigate the impact of a general tax increase in 1993 on a growing local industry.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$3.900	\$4.100	\$4.300	\$4.400
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$3.800	\$4.300	\$4.400
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Revenue impact grows 4 percent a year.
- 11 months of collections in Fiscal Year 2021 due to July 1, 2020, effective date.

Data Sources Washington Liquor and Cannabis Board

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1993
Primary Beneficiaries:	Microbreweries
Taxpayer Count:	350
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014