

# Beer Tax

**RCW** 66.24.290

**Tax Base** Each 31-gallon barrel of beer (or its equivalent in cans and bottles) sold in Washington by a brewer or distributor.

Tax exemptions may reduce the taxes of brewers and distributors. For more information, refer to the [Tax Exemption Study](#).

This tax is in addition to business and occupation, retail sales and use taxes.

**Tax Rate** \$4.782 per barrel on the first 60,000 barrels sold in a year.  
\$8.080 per barrel once a brewer exceeds 60,000 barrels sold in a year.

The per barrel tax rate is comprised of:

- A \$1.30 base tax.
- A \$2.00 additional tax.
- An additional tax of:
  - \$1.482 on the first 60,000 barrels sold in a year.
  - \$4.78 once a brewer exceeds 60,000 barrels sold in a year.

Distributors of beer pay the rates applicable to each brewer of the beer sold. the Liquor and Cannabis Board publishes the [“Brewer’s Tax Rate Per Barrel Table”](#) on their website.

**Recent Collections (\$000)**

Fiscal Year	Collections	% Change	% of All State Taxes
2021	\$31,120	3.5%	0.1%
2020	\$30,058	-3.2%	0.1%
2019	\$31,048	0.0%	0.1%
2018	\$31,037	5.6%	0.1%
2017	\$29,390	-6.4%	0.2%
2016	\$31,385	2.1%	0.2%
2015	\$30,736	2.8%	0.2%
2014	\$29,898	-61.3%	0.2%
2013	\$77,324	-2.9%	0.5%
2012	\$79,642	-1.2%	0.6%

Source: Washington State Liquor & Cannabis Board

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- Distribution of Receipts**      The state distributes the receipts from the beer tax as follows:
- 0.3% of the \$1.30 base tax goes to certain border cities and counties for law enforcement costs.
  - Of the remaining 99.7% of the \$1.30 base tax:
    - 20% goes to counties based on unincorporated population.
    - 80% goes to all cities based on population.
  - The \$2.00 additional tax is deposited to the State General Fund.
  - The \$1.482 additional tax is deposited to the State General Fund.
  - Of the \$4.78 additional tax for annual sales exceeding 60,000 barrels:
    - The general fund receives 97%.
    - Border cities and counties receive 3%.
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**Levied by**                      State

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**Administration**          Liquor and Cannabis Board

Brewers and distributors report and pay the tax monthly.

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- History**
- 2013    The additional per barrel and per gallon taxes imposed in 2010 expired.
  - 2010    The tax rate increased to \$0.76 per gallon. Added an additional tax of \$15.50 per barrel on breweries producing over 60,000 barrels annually.
  - 2009    Eliminated the portion of the tax earmarked for the Violence Reduction and Drug Enforcement Account and the Health Services Account.
  - 2003    Strong beer (more than 8% alcohol by weight) shifted from the liquor sales tax to the beer tax.
  - 1997    Reduced the beer tax rate to \$1.30 per barrel and repealed the 7% surtax.
  - 1994    Made permanent the temporary tax enacted in 1989.
  - 1993    Added an additional tax of \$0.96 per barrel to fund health care and increased this rate to \$2.39 per barrel in 1995 and \$4.78 per barrel in 1997.

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- 1989 Adopted a temporary additional tax of \$2.00 per barrel to fund drug prevention programs.
  - 1982 Added surtaxes, increasing the overall rate to \$2.782.
  - 1981 Combined the tax rates and increased the basic rate to \$2.60.
  - 1965 Increased the tax rate to \$1.50 per barrel for canned and bottled beer.
  - 1934 Initially enacted the beer tax at \$1.00 per barrel.
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