

# Beer Tax

**RCW** 66.24.290

**Tax Base** Brewers or distributors of beer pay a tax for the privilege of manufacturing or selling beer in Washington. The tax applies to each 31-gallon barrel or its equivalent in cans and bottles. Beer is also subject to retail sales tax, whether purchased in the original container or for consumption on-premises of the seller.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

**Tax Rate** For breweries that produce less than 60,000 barrels each year, the overall rate is \$4.782 per barrel:

Tax	Rate per barrel	RCW
Base tax	\$1.30	66.24.290(1)(a)
Additional	\$2.00	66.24.290(2)
Additional	\$1.482	66.24.290(4)

For breweries that produce over 60,000 barrels each year the overall rate is \$8.08 per barrel:

Tax	Rate per barrel	RCW
Base tax	\$1.30	66.24.290(1)(a)
Additional	\$2.00	66.24.290(2)
Additional	\$4.78	66.24.290(3)(a)

**Recent Collections (\$000)**

Fiscal Year	Collections	% Change	% of All State Taxes
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%
2011	\$80,609	118.8%	0.6%
2010	\$36,833	13.6%	0.3%
2009	\$32,418	2.9%	0.2%

Source: Washington State Liquor & Cannabis Board

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**Distribution of Receipts** Receipts from the base tax of \$1.30 per barrel are distributed as follows:

- 0.3% to certain border cities and counties for law enforcement costs.
- Of the remaining 99.7%, 20% is distributed to all counties on the basis of unincorporated population and 80% is distributed to all cities on the basis of population.

Receipts from the additional tax of \$2.00 per barrel and \$4.78 per barrel are deposited into the State General Fund.

Receipts from the \$1.482 tax for barrels exempted from the \$4.78 rate are distributed as follows:

- 97 percent into the State General Fund.
  - 3 percent to border cities and counties.
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**Levied by** State

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**Administration** Liquor and Cannabis Board.

Brewers and beer wholesalers report the tax monthly, with payment due by the 20th day of the following month.

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**History**

2013 Additional per barrel and per gallon taxes imposed in 2010 expired.

2010 Additional tax of \$15.50 per barrel imposed on breweries that produced over 60,000 barrels. The excise tax on beer increased from 26 to 76 cents per gallon but the additional tax did not apply to the sale of the first 60,000 barrels annually by breweries entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051 of the federal internal revenue code.

2009 A portion of the tax was earmarked for the violence reduction/drug enforcement account and the health services account. These dedicated revenues were eliminated.

2003 Strong beer (more than 8 percent alcohol by weight) shifted from the liquor sales tax and made subject to the beer tax.

1997 Beer tax rate reduced to \$1.30 per barrel from \$2.60 per barrel and the 7 percent surtax was repealed.

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- 1994 Temporary tax created in 1989 made permanent.
  - 1993 Established an additional tax of \$0.96 per barrel for health care. This tax automatically increased to \$2.39 per barrel in 1995 and \$4.78 per barrel in 1997.
  - 1989 Adopted an additional temporary tax of \$2.00 per barrel for drug programs.
  - 1982 Surtaxes added, increasing the overall rate to \$2.782.
  - 1981 Combined the \$1.00 and \$1.50 rates and increased to a basic rate of \$2.60.
  - 1965 Rate increased to \$1.50 per barrel for canned and bottled beer.
  - 1934 Beer tax enacted at \$1.00 per barrel.
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