

# SENATE BILL REPORT

## SB 5259

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As Passed Senate, January 27, 2012

**Title:** An act relating to the tax payment and reporting requirements of small wineries.

**Brief Description:** Concerning the tax payment and reporting requirements of small wineries.

**Sponsors:** Senators Kline, Honeyford, Kohl-Welles, Carrell and Schoesler.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 1/27/11, 2/07/11 [DP-WM]; 1/16/12 [DP].

Passed Senate: 1/27/12, 44-0.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Majority Report:** Do pass.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt, Keiser and Kline.

**Staff:** Edith Rice (786-7444)

**Background:** Wineries, wine distributors, importers, and holders of certificates of approval must submit a liter tax along with a wine tax report to the Liquor Control Board on a monthly basis. Revenue generated from the wine liter tax is distributed to the liquor revolving account, the General Fund, and to cities and counties. A portion of the liter tax revenue is also disbursed quarterly to the Washington Wine Commission and to Washington State University for wine and grape research.

**Summary of Bill:** Wineries and wine certificate of approval holders that have a total taxable sales of wine in Washington of 6000 gallons or less during the calendar year preceding the tax due date must report on and pay taxes no more frequently than annually.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill simplifies the reporting process and saves time. We have supported this bill in the past, but have expressed concerns about the cost to make internal changes regarding reporting. That is not a problem this year.

**Persons Testifying:** PRO: John Bell, Family Wineries of WA State; Alan Rathbun, Liquor Control Board.