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**HOUSE BILL 1672**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Couture, Mosbrucker, Corry, Volz, Christian, McEntire, and Walsh

1 AN ACT Relating to a spirits tax exemption on spirits purchased  
2 for use as fund-raising prizes by veterans' service organizations;  
3 amending RCW 82.08.150; adding a new section to chapter 82.08 RCW;  
4 and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08  
7 RCW to read as follows:

8 (1) Beginning January 1, 2024, the tax levied by RCW 82.08.150  
9 does not apply to sales of spirits purchased by a Washington  
10 veterans' service organization that is used as a fund-raising prize  
11 for a veterans' service organization fund-raising event.

12 (2) For purposes of this section, "veterans' service  
13 organization" means a nonprofit entity whose principal focus is  
14 raising funds to assist veterans of the armed forces of the United  
15 States and meets at least one of the following criteria:

16 (a) An organization exempt from tax under section 501(c) (3),  
17 (4), or (10) of the internal revenue code;

18 (b) A nonprofit organization that would qualify under (a) of this  
19 subsection except that it is not organized as a nonprofit  
20 corporation; or

21 (c) A nonprofit organization if:

1 (i) The members, stockholders, officers, directors, or trustees  
2 of the organization do not receive any part of the organization's  
3 gross income, except as payment for services rendered; and

4 (ii) The compensation received by any person for services  
5 rendered to the organization does not exceed an amount reasonable  
6 under the circumstances.

7 **Sec. 2.** RCW 82.08.150 and 2021 c 48 s 6 are each amended to read  
8 as follows:

9 (1) There is levied and collected a tax upon each retail sale of  
10 spirits in the original package at the rate of fifteen percent of the  
11 selling price.

12 (2) There is levied and collected a tax upon each sale of spirits  
13 in the original package at the rate of ten percent of the selling  
14 price on sales by a spirits distributor licensee or other licensee  
15 acting as a spirits distributor pursuant to Title 66 RCW to  
16 restaurant spirits retailers.

17 (3) There is levied and collected an additional tax upon each  
18 sale of spirits in the original package by a spirits distributor  
19 licensee or other licensee acting as a spirits distributor pursuant  
20 to Title 66 RCW to a restaurant spirits retailer and upon each retail  
21 sale of spirits in the original package by a licensee of the board at  
22 the rate of one dollar and seventy-two cents per liter.

23 (4) An additional tax is imposed equal to fourteen percent  
24 multiplied by the taxes payable under subsections (1), (2), and (3)  
25 of this section.

26 (5) An additional tax is imposed upon each sale of spirits in the  
27 original package by a spirits distributor licensee or other licensee  
28 acting as a spirits distributor pursuant to Title 66 RCW to a  
29 restaurant spirits retailer and upon each retail sale of spirits in  
30 the original package by a licensee of the board at the rate of seven  
31 cents per liter. All revenues collected during any month from this  
32 additional tax must be deposited in the state general fund by the  
33 twenty-fifth day of the following month.

34 (6)(a) An additional tax is imposed upon retail sale of spirits  
35 in the original package at the rate of three and four-tenths percent  
36 of the selling price.

37 (b) An additional tax is imposed upon retail sale of spirits in  
38 the original package to a restaurant spirits retailer at the rate of  
39 two and three-tenths percent of the selling price.

1 (c) An additional tax is imposed upon each sale of spirits in the  
2 original package by a spirits distributor licensee or other licensee  
3 acting as a spirits distributor pursuant to Title 66 RCW to a  
4 restaurant spirits retailer and upon each retail sale of spirits in  
5 the original package by a licensee of the board at the rate of forty-  
6 one cents per liter.

7 (d) All revenues collected during any month from additional taxes  
8 under this subsection must be deposited in the state general fund by  
9 the twenty-fifth day of the following month.

10 (7)(a) An additional tax is imposed upon each retail sale of  
11 spirits in the original package at the rate of one dollar and thirty-  
12 three cents per liter.

13 (b) All revenues collected during any month from additional taxes  
14 under this subsection must be deposited by the twenty-fifth day of  
15 the following month into the general fund.

16 (8) The tax imposed in RCW 82.08.020 does not apply to sales of  
17 spirits in the original package.

18 (9) The taxes imposed in this section must be paid by the buyer  
19 to the seller, and each seller must collect from the buyer the full  
20 amount of the tax payable in respect to each taxable sale under this  
21 section. The taxes required by this section to be collected by the  
22 seller must be stated separately from the selling price, and for  
23 purposes of determining the tax due from the buyer to the seller, it  
24 is conclusively presumed that the selling price quoted in any price  
25 list does not include the taxes imposed by this section. Sellers must  
26 report and return all taxes imposed in this section in accordance  
27 with rules adopted by the department.

28 (10) In accordance with section 1 of this act, spirits taxes  
29 under this section do not apply to sales of spirits purchased by a  
30 Washington veterans' service organization that is used as a fund-  
31 raising prize for a veterans' service organization fund-raising  
32 event.

33 (11)(a) Except as otherwise provided in this subsection, the  
34 terms, "spirits" and "package" have the same meaning as provided in  
35 chapter 66.04 RCW.

36 (b) Until July 1, 2023, for the purposes of the taxes imposed  
37 under this section, the term "spirits" does not include mini-bottles  
38 of spirits sold by a person who possesses a valid endorsement under  
39 section 2(6), chapter 48, Laws of 2021 and is licensed as a spirits,  
40 beer, and wine restaurant under RCW 66.24.400.

1           (c) For the purposes of this subsection, "mini-bottles of  
2 spirits" means an original factory-sealed container holding not more  
3 than 50 milliliters of spirits.

4           NEW SECTION.   **Sec. 3.** RCW 82.32.805 and 82.32.808 do not apply  
5 to this act.

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