



# Liquor Tax



## 66.20.010(7) - Sales of liquor to the military

**Description** Sales of liquor by the Liquor Control 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	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
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	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
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	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1933
<b>Primary Beneficiaries:</b>	Military installations and military personnel
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Excluded from JLARC review

## 66.24.290(3b) - Microbrewers beer tax exemption of 1st 60,000 barrels

**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	<i>(\$ in millions):</i>			
	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.910	\$3.069	\$3.138	\$3.265
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	<i>(\$ in millions):</i>			
	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$2.813	\$3.138	\$3.265
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017

- Data Sources**
- Washington State Economic and Revenue Forecast Council February 2015 forecast
  - Liquor Control Board excise tax return data

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1993
<b>Primary Beneficiaries:</b>	Microbreweries
<b>Taxpayer Count:</b>	303
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	JLARC completed an expedited review in 2014