

Selling Spirits in Washington State

JUNE 2012

Purchases of Spirits in the Original Container by the General Public (Consumers)

Important Date

Effective June 1, 2012

The general public may begin purchasing spirits in the original container from private spirits retailers licensed with the Liquor and Cannabis Board (LCB) to sell spirits to the general public.

As of **June 1, 2012**, the LCB will close all state run liquor stores and will stop selling spirits.

Does This Change Affect the Rates of Spirits Taxes I Will Pay?

No. Initiative 1183 (I-1183) does not change the rates of spirits taxes that the general public will pay. The general public still pays:

- Spirits sales tax at the rate of 20.5 percent of the selling price
- Spirits liter tax at the rate of \$3.7708 per liter

How Will I Know How Much I Pay in Spirits Taxes?

Previously, state run liquor stores' shelf prices included the spirits taxes in the price. The spirits taxes were not itemized on customer receipts. The LCB maintained a price list available to the general public that itemized the spirits taxes.

Private spirits retailers may itemize the spirits taxes on customer receipts, but they are not required to do so. However, if a business does not itemize the spirits taxes on customer receipts, the business must itemize the spirits taxes on:

- shelf tags, and/or
- price lists made available to customers

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FACT SHEET

If the Spirits Taxes Did Not Change, Then Why Did the Prices for Spirits Change?

Effective June 1, 2012, the only price control on spirits is that spirits sellers cannot sell below their cost.

For spirits sales to the general public, the selling price can include, but is not limited to:

- Cost of goods sold.
- Markup, which may include:
 - Federal, state and local taxes imposed on the seller
Note: Taxes imposed on the buyer are not included in the markup and are required to be separately stated on a receipt, price list, or price tag.
 - License fees paid to Liquor and Cannabis Board (10% paid by distributors and 17% paid by spirits retailers)
 - Business expenses
 - Additional markup for desired profit

Does I-1183 Change the Tax on Sales of Spirits by the Drink or Glass

I-1183 did not change how sales of spirits by the glass or drink are taxed. The general public will continue to pay the general retail sales tax on their purchases of spirits by the drink or glass at restaurants and bars.

TELEPHONE INFORMATION CENTER
1-800-647-7706

[HTTP://DOR.WA.GOV/SPIRITS](http://dor.wa.gov/spirits)



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