Multiple Agency Fiscal Note Summary

Bill Number: 5013 S SB	Title: Wine/alcohol tax exemption

Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	(376,671)	(376,671)	(2,328,646)	(753,342)	(753,342)	(4,657,292)	(753,342)	(753,342)	(4,657,292)
Total $	**(376,671)**	**(376,671)**	**(2,328,646)**	**(753,342)**	**(753,342)**	**(4,657,292)**	**(753,342)**	**(753,342)**	**(4,657,292)**

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Joint Legislative Audit and Review Committee	.0	0	0	7,200	.0	0	0	9,600	.2	0	0	83,600
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	.0	0	0	372,000	.0	0	0	0	.0	0	0	0
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**0**	**0**	**379,200**	**0.0**	**0**	**0**	**9,600**	**0.2**	**0**	**0**	**83,600**

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 2/ 6/2024

Individual State Agency Fiscal Note

Bill Number: 5013 S SB	Title: Wine/alcohol tax exemption	Agency: 014-Joint Legislative Audit and Review Committee

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.2
Account					
Performance Audits of Government Account-State 553-1	2,400	4,800	7,200	9,600	83,600
Total $	2,400	4,800	7,200	9,600	83,600

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Alia Kennedy	Phone: 360-786-7405	Date: 01/31/2024
Agency Preparation:	Geoff Cunningham	Phone: 3607865672	Date: 02/01/2024
Agency Approval:	Eric Thomas	Phone: 360 786-5182	Date: 02/01/2024
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 02/02/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The bill creates a preferential tax rate on a winery's sale of the first 20,000 gallons of table wine or cider sold in a calendar year.

Under Section 1 (1) (d), until January 1, 2035, a winery's sale of the first 20,000 gallons of table wine or cider is (i) taxed at a rate of $.0528 per liter and (ii) not subject to any other taxes under RCW 66.24.210 on sales of the first 20,000 gallons except for those usually levied under (3) for disbursement to the Washington Wine Commission for carrying out purposes of RCW 15.88.

Tax Preference Performance Statement

Section 2 of the bill is the tax preference performance statement. The Legislature categorizes this tax preference as one intended to provide tax relief to certain businesses or individuals.

It is the Legislature's specific public policy objective to promote the development of small wineries.

The bill requires JLARC to conduct an initial evaluation of the tax preference by January 1, 2029, with a final evaluation conducted by January 1, 2034.

If the review finds that (a) the number of wineries producing less than 20,000 gallons per year going out of business is decreased; (b) the number of wineries that were producing less than 20,000 gallons per year in 2023 are subsequently producing more has increased; or (c) amount of sales and use tax collected by wineries has increased, then the Legislature intends to extend the expiration date of this tax preference.

JLARC may refer to any data collected by the state, including the Washington Wine Commission, to perform the review.

Changes Under S SB 5013

The tax preference performance statement under Section 2 of the bill simplifies language in (3) discussing the hardships faced by domestic wineries.

It also removes (5) that stated if certain metrics are met, the Legislature intends to renew the preference.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

JLARC staff will work with the Department of Revenue, the Liquor and Cannabis Board, the Washington Wine Commission, and other appropriate agencies immediately after passage of the bill to ensure project contacts are established and any other necessary data for JLARC staff's future evaluation needs are identified and collected. Staff would work with those same agencies and organizations when conducting its review.

The expenditure detail reflects work conducted to prepare for and conduct the first assigned review of the preference by January 1, 2029. Work for this review will begin in June 2027 and continue through the end of 2028.

This tax preference review may require additional resources. The audit will be conducted and presented to JLARC consistent with the processes used for other tax preference reviews. Based on all tax preference legislation that is passed, JLARC may subsequently determine that it can absorb the costs for this proposed bill in its base budget, if the workload of other enacted tax preference legislation does not exceed current staffing. JLARC will assess all of the tax preference reviews mandated in the 2024 legislative session. The cost of the final evaluation on January 1, 2034 falls outside of the period covered by this fiscal note.

This audit will require an estimated 4 audit months.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2023-25 costs are calculated at approximately $23,900 per audit month.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
553-1	Performance Audits of Government Account	State	2,400	4,800	7,200	9,600	83,600
		Total $	2,400	4,800	7,200	9,600	83,600

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					0.2
A-Salaries and Wages	1,600	3,100	4,700	6,300	54,300
B-Employee Benefits	500	1,000	1,500	2,000	17,200
C-Professional Service Contracts					
E-Goods and Other Services	300	600	900	1,200	11,000
G-Travel		100	100	100	1,100
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	2,400	4,800	7,200	9,600	83,600

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Research Analyst	131,064					0.2
Support staff	110,856					0.1
Total FTEs						0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 5013 S SB	Title: Wine/alcohol tax exemption	Agency: 140-Department of Revenue

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Alia Kennedy	Phone: 360-786-7405	Date: 01/31/2024
Agency Preparation:	Anna Yamada	Phone: 360-534-1519	Date: 02/01/2024
Agency Approval:	Valerie Torres	Phone: 360-534-1521	Date: 02/01/2024
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	Date: 02/02/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:
Wineries pay the wine tax, an excise tax on wine and cider sold to distributors, directly to consumers on the winery premises, and direct shipments to consumers and retailers.

For table wine, the tax rate includes a base rate of 20.25 cents per liter and additional taxes of 2.67 cents per liter (a total of 22.92 cents per liter), and for cider, a base rate of 3.59 cents per liter and additional taxes of 4.55 cents per liter (a total of 8.14 cents per liter).

The Liquor and Cannabis Board (LCB) administers the wine tax.

PROPOSAL
The Department of Revenue (department) does not administer the wine tax; thus, no sections of this bill impact the department.

EFFECTIVE DATE
The bill takes effect 90 days after the final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This legislation results in no revenue impact on taxes administered by the department.

The LCB's fiscal note includes the revenue impacts of this bill.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The department will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5013 S SB	Title: Wine/alcohol tax exemption	Agency: 195-Liquor and Cannabis Board

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1		(376,671)	(376,671)	(753,342)	(753,342)
Liquor Revolving Account-State 501-1		(1,951,975)	(1,951,975)	(3,903,950)	(3,903,950)
Total $		(2,328,646)	(2,328,646)	(4,657,292)	(4,657,292)

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
Liquor Revolving Account-State 501-1	0	372,000	372,000	0	0
Total $	0	372,000	372,000	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Alia Kennedy	Phone: 360-786-7405	Date: 01/31/2024
Agency Preparation:	Colin O Neill	Phone: (360) 664-4552	Date: 01/31/2024
Agency Approval:	Aaron Hanson	Phone: 360-664-1701	Date: 01/31/2024
OFM Review:	Val Terre	Phone: (360) 280-3973	Date: 02/01/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1(1d)(i) provides that a winery's sale of the first 20,000 gallons of table wine and cider in a calendar year is subject to a reduced tax rate of $0.0553/liter for table wine and $0.0533/liter for cider. Non-fortified wine is still subject to all existing applicable wine taxes.

Section 1(1d)(ii) and Section 1(1e) provide that the portion of the wine and cider tax designated for the Washington wine commission and Washington State University are still subject to collection and allocation.

Section 1(d): the tax exemption expires January 1, 2035.

Section 2: The joint legislative audit and review committee must conduct an initial evaluation of the tax preference in section 1 by January 1, 2029. A final evaluation must be conducted by January 1, 2034.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The anticipated negative cash receipt impact from the lower tax rate on the first 20,000 gallons of table wine and cider sold by a winery in a calendar year is anticipated to be $2.3m/year ongoing. The estimated loss is based on an analysis of 2022 sales.

Please see the attached "5013 SSB Wine-alcohol tax exemption Analysis.pdf" for the breakdown in tax rates affected and totals for the Liquor Revolving Account and General Fund-State.

Note: the tax exemption expires January 1, 2035.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

INFORMATION TECHNOLOGY DIVISION: (onetime costs in FY25)

The division will have contracted costs to modify the agency's Beer & Wine Tax system - 1200 hours x $150/hr = $180,000

IT Investments – Approval and Oversight. The Office of the Chief Information Officer (OCIO) defines a major technology investment as one having a total cost that includes a combined level of effort of more than $500,000 OR has a duration longer than 4-months.

If the agency fiscal note analysis anticipates one or both of these criteria being met, the agency is required under OCIO Policy #121 to submit an online self-assessment via OCIO’s Information Technology Assessment Tool (ITPA) speaking to effort size, risk and expected impact on citizens and state operations. If the agency assumes that OCIO’s formal decision is to place the project/effort under formal OCIO oversight, the agency would be required under OCIO Policy #132 to have external Quality Assurance (QA) services present at all stages of the project, from feasibility through implementation.

The agency currently estimates that cost at $160/hr over the estimated lifetime of the project/effort. Since the project work on this bill is anticipated at 1,200 hours, the OCIO QA oversight cost is 1,200 x $160 = $192,000.

NOTE: the changes in the bill would not be able to be implemented by July 1st (the assumed effective date of the bill) due to the scope of the IT work involved.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
501-1	Liquor Revolving Account	State	0	372,000	372,000	0	0
		Total $	0	372,000	372,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		372,000	372,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	0	372,000	372,000	0	0

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Information Technology Division (070)		372,000	372,000		
Total $		372,000	372,000		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

5013 SSB "Wine/alcohol tax exemption" analysis

	Non-Fortified Tax Impact	Fortified Tax Impact	Cider Tax Impact
Liters based on 2022 sales	**13,155,348**	**-**	**1,028,416**

Current wine tax Statute				**Tax Totals (1st 20,000 gallons)**			
RCW 66.24.210	**Table Wines**	**Fortified Wines (over 14%)**	**Cider**	**Table Wines**	**Fortified Wines (over 14%)**	**Cider**	**Distribution**
subsection 1	$0.2000	$0.2000	$0.0334	$ 2,631,070	$ -	$ 34,349	LRA[1]
subsection 1	$0.0025	$0.0025	$0.0025	$ 32,888	$ -	$ 2,571	WSU[2]
subsection 2	7% of section 1 ($.0142)	7% of section 1 ($.0142)	7% of section 1 ($.0025)	$ 186,806	$ -	$ 14,604	GFS[3]
subsection 3	$0.0025	$0.0025	$0.0005	$ 32,888	$ -	$ 514	WWC[4]
subsection 4	$0.0100	$0.2344	$0.0018	$ 131,553	$ -	$ 1,851	GFS[3]
subsection 5			$0.0407	$ -	$ -	$ 41,857	GFS[3]
Total	$.2292 per liter	$.4536 per liter	$.0814 per liter	$ 3,015,206	$ -	$ 95,746	

Wine tax statute as modified by 5013 SSB Section 1				**Tax Totals (1st 20,000 gallons)**			
RCW 66.24.210	**Table Wines**	**Fortified Wines (over 14%)**	**Cider**	**Table Wines**	**Fortified Wines (over 14%)**	**Cider**	**Distribution**
subsection 1	$0.0503	$0.2000	$0.0503	$ 661,714	$ -	$ 51,729	LRA[1]
subsection 1	$0.0025	$0.0025	$0.0025	$ 32,888	$ -	$ 2,571	WSU[2]
subsection 2		7% of section 1 ($.0142)		$ -	$ -	$ -	GFS[3]
subsection 3	$0.0025	$0.0025	$0.0005	$ 32,888	$ -	$ 514	WWC[4]
subsection 4		$0.2344		$ -	$ -	$ -	GFS[3]
subsection 5				$ -	$ -	$ -	GFS[3]
Total	$.0553 per liter	$.4536 per liter	$.0533 per liter	$ 727,491	$ -	$ 54,815	

	Tax impact (1st 20,000 gallons)				
RCW Section	**Table Wines**	**Fortified Wines (over 14%)**	**Cider**	**Totals**	**Distribution**
subsection 1	$ (1,969,356)	$ -	$ 17,380	$ (1,951,975)	LRA[1]
subsection 1	$ -	$ -	$ -	$ -	WSU[2]
subsection 2	$ (186,806)	$ -	$ (14,604)	$ (201,409)	GFS[3]
subsection 3	$ -	$ -	$ -	$ -	WWC[4]
subsection 4	$ (131,553)	$ -	$ (1,851)	$ (133,405)	GFS[3]
subsection 5	$ -	$ -	$ (41,857)	$ (41,857)	GFS[3]
Total	**$ (2,287,715)**	**$ -**	**$ (40,931)**	**$ (2,328,646)**	

$ (376,671) total GFS

Notes on Distributions:

1) Liquor Revolving Account
2) Washington State University
3) General Fund-State
4) Washington Wine Commission

Individual State Agency Fiscal Note

Bill Number: 5013 S SB	Title: Wine/alcohol tax exemption	Agency: 365-Washington State University

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Alia Kennedy	Phone: 360-786-7405	Date: 01/31/2024
Agency Preparation:	Emily Green	Phone: 5093359681	Date: 02/05/2024
Agency Approval:	Chris Jones	Phone: 509-335-9682	Date: 02/05/2024
OFM Review:	Ramona Nabors	Phone: (360) 742-8948	Date: 02/06/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SSB 5013 provides a tax exemption for the first 20,000 gallons of wine sold by a Washington winery in order to promote the development of small wineries.

Section 1 exempts small wineries from paying certain taxes on their first 20,000 gallons of wine sold in a calendar year.

Section 2 outlines how the tax exemptions will be evaluated going forward.

There is no fiscal impact to WSU. This bill does not impose a new tax but exempts wineries from a portion of existing tax. This does not affect the portions of the wine tax that are disbursed to WSU and the Wine Commission.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail:

FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.