

**Table 1: Proposed changes to state liquor control laws, I-1100 vs. I-1105**

Proposed change	I-1100	I-1105
Shut down all state liquor stores & the distribution center	<i>Yes:</i> All state liquor stores and the distribution center would be required to stop selling liquor by December 31, 2011.	<i>Yes:</i> All state liquor stores and the distribution center would be required to stop selling liquor by April 12, 2012.
Privatize retail and wholesale sale of liquor in Washington	<i>Yes:</i> The LCB would be required to issue permits to private liquor retailers and private distributors. Private distributors could begin selling on January 1, 2011; retailers could begin on June 1, 2011.	<i>Yes:</i> The LCB would be required to issue permits to private liquor retailers and distributors. Private distributors could begin selling on October 1, 2011; retailers could begin on November 1, 2011.
Eliminate the three-tier system	<i>Yes:</i> The uniform price requirement and other regulations designed to separate the activities of manufacturers, distributors, and retailers would be repealed. Retailers of beer, wine, and hard liquor would have greater freedom to purchase these products directly from manufacturers at a reduced price.	<i>No:</i> The uniform price requirement and other regulations designed to separate manufacturers, distributors, and retailers would be retained. The three-tier system would be expanded to include sales of hard liquor in addition to beer and wine.
Eliminate the laws against bulk discounts on beer, wine, and hard liquor	<i>Yes:</i> Manufacturers and distributors would be able to offer bulk discounts to retailers that buy liquor and other alcoholic beverages in large quantities.	<i>No:</i> Prohibitions against bulk discounts for purchases of beer and wine would be retained. Bulk discounts would be allowed for sales of hard liquor, however.
Repeal taxes applied to liquor	<i>No:</i> Current per liter and sales taxes on liquor would be maintained.	<i>Yes:</i> All state taxes applied to liquor would be repealed. The LCB would be required to develop and recommend to the legislature a per liter tax that would replace the foregone revenue plus \$20 million per year for the next five years. The legislature would not be required to act on this recommendation.
Eliminate markup revenues	<i>Yes:</i> The state would lose all revenues from the 51.9 percent markup on the price of hard liquor.	<i>Yes:</i> The state would lose all revenues from the 51.9 percent markup on the price of hard liquor.
Create new gross sales taxes on distributors and retailers	<i>No.</i>	<i>Yes:</i> New taxes of 1% and 6% of gross liquor sales would be applied to distributors and retailers, respectively.