The purpose of this fact sheet is to explain the Washington State liquor licenses required for the events commonly held by the wine society. There have been a number of questions & a great deal of confusion arising from terminology used by the Liquor Control Board Licensing Department’s websites, forms and licenses. This fact sheet addresses many of those questions, hopefully in a clear, concise manner; if you should need additional information regarding the information discussed here, we have more details drawn from Washington State laws & regulations.

The Society commonly holds two types of events: 1), a standard tasting, open to members & guests for an admission fee, and; 2) a tasting accompanied by sales of bottled wine for off-premises consumption. A Banquet Permit, described on this page, is required for the first type. A Special Occasion License, described on the next page, is required for the second type (but not a Banquet Permit).

**Banquet Permit**

Banquet permits are available to for-profit businesses, societies, organizations, and individuals, for events that are by invitation only, not open or advertised to the public, & no separate charge is made for liquor. It is acceptable to charge an admission fee that includes the cost of the liquor. The cost of the permit is **$10**, and application is made online (lcb.wa.gov), with the fee charged to a credit/debit card. The license is e-mailed to you, usually within an hour.

**You need to secure a permit at least one day in advance.**

When you apply online, you will need to include:

1) your contact information,
2) when the event will be held (date & time; our tastings are usually 7 PM to 9 PM),
3) where the event is to be held, including address & county,
   (Wenatchee Valley Museum & Cultural Center, 127 S Mission, Wenatchee WA 98801; Chelan County)
4) purpose of meeting ("Membership meeting & wine tasting"),
5) how many people will attend ("50"; "0" under 21),
6) Attendees will bring their own alcohol (that's you),

The permit states that no advertising can be directed to the general public. However, notice of the event can be communicated to members, and by similar definition, followers on Facebook or other social media.

The Banquet Permit webpage states that "Liquor must be purchased from a retail store at full retail price." This interpretation appears to be a Licensing Department's interpretation of a statute addressing using a restaurant liquor license to purchase liquor wholesale from the Liquor Control Board & then serving it under a banquet permit. This statute was missed by Initiative 1183 and has not been corrected by legislative action. The Licensing Department felt the spirit of the law stipulated that the liquor served must be purchased at retail, not wholesale. However, the wording they chose to use on the website changed the statute's wording of "an authorized retail source" to "a retail store", and borrowed the term "full retail price" from another unrelated statute, without definition. Any winery that has extended their license to include retail sales is considered an authorized retail source. And further communication with the Licensing Department's Customer Service assured us that the retail price can include sale price, price after discounts, such as case or club member discounts, basically whatever retail price the retail source is willing to give you. Basically, "retail" means you paid sales tax.
Special Occasion License

A special occasion license allows a bona fide nonprofit organization to sell liquor at a specific time, date and place. "Bona fide" means registered with the Washington Secretary of State's office as a nonprofit corporation. The organization is allowed to sell liquor by the drink for consumption on-site, and/or by the bottle for off-premises consumption, by specific approval by the Liquor Board. (On the application, you check a box asking for permission to sell for off-premises consumption).

The application is available online (http://lcb.wa.gov/licensing/special-occasion-licenses) as a download. Fill out the application and mail to the address indicated, with a check for $60. The application must be submitted 45 days prior to the event. The time period allows the Licensing Department to notify local authorities of the event & give time to respond or object. (While we have secured a license in a shorter period of time, it involves the hassle of getting a letter from the Mayor's Office giving approval, thereby removing the time needed for local notification. I don't recommend this approach, unless absolutely necessary)

A number of the application entries have very specific purposes. For example, the application asks if a winery, etc. is involved in your event; the Liquor Control Board has specific regulations about what a winery representative can do at a Special Occasion License event. Many of these questions do not affect our event, but need to be answered. For this and other reasons, I recommend that one person, probably the President, be the contact for all Special Occasion License applications.

However, should you need to fill out an application here are some guidelines:
1) Organization's address should be the President's.
2) Our UBI is 601642480
3) We have had prior Special Occasion Licenses. For date of prior events, you can use a year, or a month & year of a prior event, whatever you can remember (e.g., March 2014). Our license number is 090474
4) Name the event ("XXX Wines Tasting")
5) Website: www.wenwine.org
6) Be prepared with name and address of event location, county & whether inside city limits
7) Event will be indoors
8) "Is event being held on church or school property, a military facility, or a liquor licensed premises?" Yes (If held at the Museum, they are now a licensed premises, so you need to secure a signature from the museum on the application. As of 4/2017, that can be Lynn, Mariah or Sandy)
9) Number of people attending: 50; under 21? None
10) Date of event & Beginning & Ending time (probably 7 PM & 9 PM)
11) Type of event: Other (fundraiser)
12) "Are you requesting permission to auction or sell spirits, beer/wine for off-premises consumption?" Yes
13) "Are wineries etc participating?" Which?
14) "Are you receiving donated goods etc.?" No
15) How will monies will be distributed: "All proceeds will be used in the society's educational programs"
16) Mail license to: (include name, address & e-mail; the Dept will e-mail the license to you)
17) Signature: For Title, you can use Event Chair

Confusion Alert: When you get the license, it will state:
"Sales, service and consumption is confined only to the designated location(s).
The sale of beer/wine/spirits for off-premises consumption is to be governed by WAC 314-16-230 (copy enclosed).
"The award, sale or gift of liquor for consumption outside the designated location(s) is expressly prohibited."
While the last line appears to mean you can't sell bottles for off-premises consumption, the line about WAC 314-16-230 & the enclosed copy is the de facto approval to do so.

By law, we are required to pay at the end of the event for the wine sold. In practice, some wineries offer to bill us. If so, get a firm count of bottles delivered, sold & returned, hopefully signed off by a winery rep; it is not uncommon to have a disputed billing based on what the winery thought they shipped & what they thought they got back.

Sales Tax issues
The wine consumed at a tasting/sale is not "resold" & is subject to sales tax, while the bottles we sell are not subject to sales tax. Ideally, a winery would give us two invoices: one for the tasting bottles (& taxed), and one for the resale bottles (not taxed).

Under the regulations of the Department of Revenue, a nonprofit organization can use a Streamlined Sales Tax Exemption Certificate to purchase goods for resale without paying sales tax. In addition, a qualifying nonprofit organization is exempt from collecting sales tax on sales that are part of fundraising activities that do not constitute a regular place of business, where the proceeds of the fundraising are used to further the nonprofit’s goals. (A qualifying nonprofit organization includes those that "do not pay its members, stockholders, officers, directors, or trustees any amounts from its gross income, except as compensation to any person for services rendered and does not engage in a substantial amount of political activity.") In other words, for our fundraising sales, we can purchase at wholesale, without paying sales tax, & we can sell without collecting sales tax.

The Exemption Certificate is given to the winery or supplier, along with a copy of our Annual Report/filing with the Secretary of State (to prove our nonprofit status), for their records. The President of the Society can give you a copy of the Annual Report, & probably should be responsible for supplying a completed Exemption Certificate.

Should you need to fill out an Exemption Certificate, the form can be found on the Washington State Dept of Revenue website (http://dor.wa.gov/Docs/forms/ExcsTx/ExmptFrm/StreamlndSalsTxExempCert.pdf). To fill it out:
1) You do not need the Multistate Supplemental form; just fill in "WA"
2) Check the box for "single purchase"; the winery/supplier will give you the invoice number.
3) Name & address should be the Society & President's address
4) Tax ID number is 601642480 ; WA ; USA
5) Winery/supplier will supply or fill in the Seller information
6) Type of business: circle "nonprofit organization"
7) Reason for exemption: circle "G-Resale" and instead of a Reseller Permit #, write in "qualifying fundraiser" (DO NOT circle "E-Charitable Organization"
8) Sign & Print your name, Title can be "Event Chair".