



# HOUSE BILL No. 5616

June 7 1994, Introduced by Reps Galloway, Llewellyn Pitoniak Rhead Gustafson, Vorva Profit Varga McNutt Crissman DeMars Byrum Whyman Rocca Bullard Dobb Porreca Middleton Stille Kaza Johnson Curtis, Anthony Hammerstrom Price, Olshove, Bobier Bodem, Shugars, Martin Griffin Freeman Gagliardi Brackenridge and Middaugh and referred to the Committee on Liquor Control

A bill to amend section 40 of Act No 8 of the Public Acts of the Extra Session of 1933, entitled as amended

The Michigan liquor control act as amended by Act No 300 of the Public Acts of 1992 being section 436 40 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 40 of Act No 8 of the Public Acts of  
2 the Extra Session of 1933 as amended by Act No 300 of the  
3 Public Acts of 1992, being section 436 40 of the Michigan  
4 Compiled Laws, is amended to read as follows

5 Sec 40 (1) Except as provided in this section, the com-  
6 mission shall levy and collect a tax on all beer manufactured or  
7 sold in this state at the rate of \$6 30 per barrel if the beer is  
8 sold in bulk or in different quantities The tax shall be paid  
9 by the brewer or brewpub if manufactured in this state or by the

1 wholesaler or the person from whom purchased if manufactured  
2 outside this state, whichever is designated by the commission  
3 The commission shall establish by rule a method for the collec-  
4 tion of the tax levied in this subsection The rules shall be  
5 promulgated pursuant to the administrative procedures act of  
6 1969 Act No 306 of the Public Acts of 1969 as amended, being  
7 sections 24 201 to 24 328 of the Michigan Compiled Laws

8 (2) The tax levied in subsection (1) shall not be collected  
9 with respect to beer that is consumed on the premises of the man-  
10 ufacturer or is damaged in the process of brewing, packaging, and  
11 storage and is not offered for sale except that beer sold by a  
12 brewpub for consumption on the premises or beer produced and con-  
13 sumed on the premises of a micro brewer shall be subject to the  
14 tax levied under subsection (1)

15 (3) The tax collected under subsection (1) shall be rebated  
16 to the person who paid the tax if that person provides satisfac-  
17 tory proof to the commission that the beer was shipped outside of  
18 this state for sale and consumption outside this state

19 (4) For the purposes of taxation a barrel shall be con-  
20 strued to contain 31 gallons

21 (5) The commission may promulgate a rule that designates the  
22 states, the laws, or the rules of other states that require a  
23 licensed wholesaler of beer to pay an additional fee for the  
24 right to purchase, import, or sell beer manufactured in this  
25 state that denies the issuance of a license authorizing the  
26 importation of beer to any licensed wholesaler of beer in that  
27 state who may make application for the license that prohibits

1 licensed wholesalers of beer in that state from possessing or  
2 selling beer purchased in this state, unless the person from whom  
3 purchased has secured a license and paid a fee in that state, if  
4 the seller neither transports the beer into the state nor sells  
5 the beer in the state or that imposes any higher taxes or  
6 inspection fees upon beer manufactured in this state when trans-  
7 porting into or sold in that state, than is imposed upon beer  
8 manufactured and sold within that state The rule shall prohibit  
9 all licensees from purchasing, receiving, possessing or selling  
10 any beer manufactured in any state designated in the rule The  
11 rule shall become effective as provided in section 47 of Act  
12 No 306 of the Public Acts of 1969, being section 24 247 of the  
13 Michigan Compiled Laws Any licensee or person adversely  
14 affected by the rule is entitled to review by leave to the proper  
15 court the question as to whether the commission acted illegally  
16 or in excess of authority in making its finding with respect to  
17 any state

18 (6) ~~For tax years after 1988 an~~ AN eligible brewer may  
19 claim a credit against the tax levied in subsection (1) in the  
20 amount of \$2 00 per barrel As used in this subsection  
21 eligible brewer means a brewer, whether or not located in this  
22 state, OR BREWPUB that manufactures less than 20,000 barrels of  
23 beer during the tax year for which the credit is claimed In  
24 determining the number of barrels for purposes of the credit, all  
25 brands and labels of a brewer shall be combined and all facili-  
26 ties for the production of beer that are owned or controlled by  
27 the same person shall be treated as a single facility