
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1064 (as reported without amendment)

Sponsor: Senator John J. H. Schwarz, M.D.

Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Michigan Liquor Control Code to allow certain brewers that produced under 200,000 barrels of beer per year to sell beer for on-premises consumption; and revise the current eligibility criteria for a brewer or brewpub to claim a per-barrel tax credit.

The bill provides that a brewer that was not licensed as a microbrewer, but produced under 200,000 barrels of beer per calendar year, could sell its beer for on-premises consumption at one location in Michigan that was on any of its licensed brewery premises.

Under the Code, all beer manufactured or sold in the State is taxed at the rate of \$6.30 per barrel (31 gallons) if sold in bulk or in different quantities. An "eligible brewer" may claim a credit of \$2 per barrel. An eligible brewer is a brewer or brewpub that manufactures 30,000 barrels of beer or less during the tax year for which the credit is claimed. The bill would retain the \$2 per-barrel credit for the first 30,000 barrels, but would allow an eligible brewer to manufacture up to 50,000 barrels per tax year.

(Under the Code, a brewer is a person located in Michigan that is licensed to manufacture and sell beer it produces to licensed wholesalers. A microbrewer is a brewer that produces 30,000 barrels of beer or less per year; a microbrewer may sell the beer to consumers at the licensed brewery premises for consumption on or off the premises. A brewpub license is a license to manufacture 5,000 barrels of beer or less per year, issued in conjunction with a class C, tavern, class A hotel, or class B hotel license.)

MCL 436.1409

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-21-00

Fiscal Analyst: M. Tyszkiewicz