

SENATE BILL No. 1064

March 7, 2000, Introduced by Senator SCHWARZ and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
by amending section 409 (MCL 436.1409) and by adding
section 411.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 409. (1) Except as provided in this section, the com-
2 mission shall levy and collect a tax on all beer manufactured or
3 sold in this state at the rate of \$6.30 per barrel if the beer is
4 sold in bulk or in different quantities. The tax shall be paid
5 by the brewer or brewpub if manufactured in this state or by the
6 wholesaler or the person from whom purchased if manufactured out-
7 side this state, whichever is designated by the commission. The
8 commission shall establish by rule a method for the collection of
9 the tax levied in this subsection. The rules shall be

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1 promulgated pursuant to the administrative procedures act of
2 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

10 (3) The tax levied under subsection (1) shall be rebated to
11 the person who paid the tax if that person provides satisfactory
12 proof to the commission that the beer was shipped outside of this
13 state for sale and consumption outside this state.

14 (4) For the purposes of the tax levied under subsection (1),
15 a barrel of beer contains 31 gallons.

16 (5) The commission may promulgate a rule that designates the
17 states or the laws or the rules of other states that require a
18 licensed wholesaler of beer to pay an additional fee for the
19 right to purchase, import, or sell beer manufactured in this
20 state; that denies the issuance of a license authorizing the
21 importation of beer to any licensed wholesaler of beer in that
22 state who may make application for the license; that prohibits
23 licensed wholesalers of beer in that state from possessing or
24 selling beer purchased in this state, unless the person from whom
25 purchased has secured a license and paid a fee in that state, if
26 the seller does not transport the beer into the state and does
27 not sell the beer in the state; or that imposes any higher taxes

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1 or inspection fees upon beer manufactured in this state when
2 transporting the beer into or selling the beer in that state than
3 taxes or fees imposed upon beer manufactured and sold within that
4 state. A rule promulgated under this subsection shall prohibit
5 all licensees from purchasing, receiving, possessing, or selling
6 any beer manufactured in any state designated in the rule. A
7 rule promulgated under this subsection becomes effective as pro-
8 vided in section 47 of the administrative procedures act of 1969,
9 1969 PA 306, MCL 24.247. Any licensee or person adversely
10 affected by a rule promulgated under this subsection is entitled
11 to review by leave to a court of competent jurisdiction regarding
12 the question as to whether the commission acted illegally or in
13 excess of its authority in making its finding under this subsec-
14 tion with respect to any state.

15 (6) An eligible brewer may claim a credit against the tax
16 levied under subsection (1) in the amount of \$2.00 per barrel FOR
17 THE FIRST 30,000 BARRELS. As used in this subsection, "eligible
18 brewer" means a brewer, whether or not located in this state, or
19 brewpub that manufactures not more than ~~30,000~~ 50,000 barrels
20 of beer during the tax year for which the credit is claimed. In
21 determining the number of barrels for purposes of the credit, all
22 brands and labels of a brewer shall be combined and all facili-
23 ties for the production of beer that are owned or controlled by
24 the same person shall be treated as a single facility.

25 SEC. 411. A BREWER THAT IS NOT LICENSED AS A MICROBREWER
26 BUT PRODUCES UNDER 200,000 BARRELS OF BEER PER CALENDAR YEAR MAY
27 SELL ITS BEER FOR ON-PREMISES CONSUMPTION AT NOT MORE THAN 1

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1 LOCATION IN THIS STATE THAT IS ON ANY OF ITS LICENSED BREWERY
2 PREMISES.