



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



BILL ANALYSIS

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

Senate Bill 1101 (as reported by the Committee of the Whole)  
Sponsor: Senator Bob Emerson  
Committee: Appropriations

### **CONTENT**

The bill would amend the Michigan Liquor Control Code to allow an increase in the maximum gross profit returned to the Michigan Liquor Control Commission from 65% to 74% of the price of alcoholic liquor. The bill would take effect on July 1, 2004.

MCL 436.1233

### **FISCAL IMPACT**

This bill would increase revenue to the Liquor Purchase Revolving Fund, and would increase the amount generated from specific taxes that are deposited into the General Fund (4%), the School Aid Fund (4%), the Conventions Facility Development Fund (4%), and the Commission for substance abuse programming (1.85%). The estimated increase in revenue from the change in the mark-up is estimated to be \$39.3 million. Increases in the other funds would be a direct result of the increase in the cost of a bottle of spirits as they are taxes that are applied to the sale price. The total amount generated for each of those funds is estimated to be \$1.4 million respectively to the General Fund, the School Aid Fund, and the Conventions Facility Development Fund and \$530,250 for the Commission. The total estimated amount that would be deposited into the General Fund would be \$40.7 million.

Date Completed: 6-22-04

Fiscal Analyst: Maria Tyszkiewicz