

Rep. Wayne Schmidt offered the following resolution:

**House Resolution No. 188.**

A resolution to memorialize the Congress of the United States to enact a credit in the federal excise tax on sparkling wines equivalent to the credit for still wines from small wineries.

Whereas, Michigan has a tradition of agricultural excellence that continues to grow despite the challenging economic times faced in numerous other segments of the state economy; and

Whereas, In recent decades, the Michigan wine industry has become a substantial part of the agricultural growth in the state. This industry consists of 14,600 acres of vineyards, making Michigan the fourth largest grape-growing state. The success of Michigan's wineries is responsible for creating jobs across the state both in the growing and manufacturing of the product, as well as promoting tourism through the natural beauty of Michigan's wine country, which attracts more than 800,000 visitors annually; and

Whereas, The wine and grape and the grape juice industry in Michigan account for more than 5,000 jobs across the state, which amounted to a payroll of more than \$190 million and nearly \$790 million of total economic value to the state of Michigan in 2005. Those numbers continue to grow every year; and

Whereas, The majority of wineries in Michigan qualify for a small winery per gallon credit of \$0.90, as they produce less than 250,000 gallons of wine during the calendar year. They also pay federal excise taxes on still wines containing not more than 14 percent of alcohol by volume at a per gallon rate of \$1.07. After the credit for these small wineries is applied to the federal excise tax, it results in a tax of \$0.17 per bottle; and,

Whereas, In addition to their still wines, many wineries in Michigan produce sparkling wines, which are charged an excise tax of \$3.40 per bottle with no credit available for small wineries producing under 250,000 gallons. That is 20 times the tax they pay on the majority of the wines they produce; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the Congress of the United States to enact a credit in the federal excise tax on sparkling wines equivalent to the value of the \$0.90 per gallon credit on still wines from small wineries; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and members of the Michigan Congressional delegation.