

SUBSTITUTE FOR  
HOUSE BILL NO. 5346

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 301 (MCL 436.1301), as amended by 2014 PA 49.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 301. (1) The commission shall levy and collect on all  
2 ~~wines~~**wine** containing 16% or less of alcohol by volume sold in this  
3 state a tax at the rate of 13.5 cents per liter if sold in bulk and  
4 in a like ratio if sold in smaller quantities.

5       (2) The commission shall levy and collect on all ~~wines~~**wine**  
6 containing more than 16% of alcohol by volume sold in this state a  
7 tax at the rate of 20 cents per liter if sold in bulk and in a like  
8 ratio if sold in smaller quantities.

9       (3) ~~All sacramental wines are~~**Sacramental wine is** nontaxable



1 when used by churches. ~~Sacramental~~ **A person may import sacramental**  
 2 wines. ~~may be imported.~~ The commission shall not impose  
 3 restrictions on importations of wine for sacramental purposes but  
 4 may promulgate rules to prevent any abuses that result from the  
 5 importations. A wholesaler or an outstate seller of wine may sell  
 6 sacramental wine directly to a church for sacramental purposes.

7 (4) The commission shall levy and collect on all mixed spirit  
 8 drink sold in this state a tax at the rate of 48 cents per liter if  
 9 sold in bulk or a like ratio if sold in smaller quantities.

10 (5) Beginning on and after February 1, 2015, if the wine is  
 11 manufactured in this state the tax ~~shall~~ **must** be paid by the wine  
 12 maker who manufactured the wine or if the wine is manufactured  
 13 outside this state the tax ~~shall~~ **must** be paid by the wholesaler  
 14 assigned to distribute that wine.

15 (6) Beginning on and after February 1, 2015, if the mixed  
 16 spirit drink is manufactured in this state the tax ~~shall~~ **must** be  
 17 paid by the manufacturer of the mixed spirit drink or if the mixed  
 18 spirit drink is manufactured outside this state the tax ~~shall~~ **must**  
 19 be paid by the wholesaler assigned to distribute that mixed spirit  
 20 drink.

21 (7) On approval by the commission, the department of licensing  
 22 and regulatory affairs shall incorporate a limited number of farm  
 23 mutual cooperative wineries as the commission determines to be  
 24 beneficial to the Michigan grape and fruit industry. These wineries  
 25 ~~shall~~ **must** be licensed under this act and the payment of 1 license  
 26 fee annually by the corporation ~~shall authorize~~ **authorizes** wine  
 27 making on the premises of the corporation and also on the premises  
 28 of the grape and fruit growing farmers who are members of or  
 29 stockholders in the corporation. Upon incorporation of a farmers'



1 cooperative corporation as provided for in this section, the  
 2 members of or the stockholders in the corporation ~~shall be~~ **are**  
 3 certified to be Michigan grape and fruit growing farmers. Wine  
 4 making by cooperative corporations on farm premises is allowed, but  
 5 all sales of the wine ~~shall~~ **must** be made by the corporation and  
 6 from the corporation premises.

7 (8) A wine maker or manufacturer of a mixed spirit drink may  
 8 designate a wholesaler to pay the tax on behalf of the wine maker  
 9 or manufacturer, respectively. If a wine maker or manufacturer  
 10 designates a wholesaler to pay the tax on its behalf, that wine  
 11 maker or manufacturer shall notify the commission of the  
 12 designation and provide the commission with a copy of its report of  
 13 wine premises operations that it filed with the ~~alcohol~~ **Alcohol** and  
 14 ~~tobacco tax~~ **Tobacco Tax** and ~~trade bureau~~ **Trade Bureau** of the United  
 15 States ~~department~~ **Department** of ~~treasury~~ **Treasury** for each calendar  
 16 year. A wholesaler that is responsible for the payment of the tax  
 17 under this section or that is designated to pay the tax under this  
 18 section on behalf of the wine maker or manufacturer of the mixed  
 19 spirit drink is only required to pay the tax on the number of  
 20 liters actually sold by the wholesaler to licensed retailers.

21 (9) The commission shall establish by rule a method for the  
 22 collection of the tax levied in this section and reporting  
 23 requirements for wholesalers, wine makers, outstate sellers of  
 24 mixed spirit drink, and outstate sellers of wine to verify the  
 25 remission of taxes to this state. ~~The~~ **Except as otherwise provided**  
 26 **in this subsection, the** commission shall not require that the tax  
 27 be paid in less than monthly intervals. **Beginning March 15, 2020,**  
 28 **the commission shall not require that the tax be paid in less than**  
 29 **quarterly intervals.** The rules ~~shall be~~ **under this subsection must**



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

3 Enacting section 1. This amendatory act does not take effect  
4 unless all of the following bills of the 100th Legislature are  
5 enacted into law:

- 6 (a) House Bill No. 5341.
- 7 (b) House Bill No. 5342.
- 8 (c) House Bill No. 5343.
- 9 (d) House Bill No. 5344.
- 10 (e) House Bill No. 5345.
- 11 (f) House Bill No. 5347.
- 12 (g) House Bill No. 5348.
- 13 (h) House Bill No. 5349.
- 14 (i) House Bill No. 5350.
- 15 (j) House Bill No. 5351.
- 16 (k) House Bill No. 5352.
- 17 (l) House Bill No. 5353.
- 18 (m) House Bill No. 5354.
- 19 (n) House Bill No. 5355.
- 20 (o) House Bill No. 5400.

