

HOUSE BILL NO. 5346

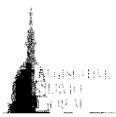
January 16, 2020, Introduced by Reps. Wentworth, Hall, Cambensy, Garza and Wendzel and referred to the Committee on Regulatory Reform.

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



1 tax at the rate of 20 cents per liter if sold in bulk and in a like
2 ratio if sold in smaller quantities.

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

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

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

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

24 (7) On approval by the commission, the department of licensing
25 and regulatory affairs shall incorporate a limited number of farm
26 mutual cooperative wineries as the commission determines to be
27 beneficial to the Michigan grape and fruit industry. These wineries
28 ~~shall~~ **must** be licensed under this act and the payment of 1 license
29 fee annually by the corporation ~~shall~~ **authorize** ~~authorizes~~ wine



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

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

24 (9) The commission shall establish by rule a method for the
 25 collection of the tax levied in this section and reporting
 26 requirements for wholesalers, wine makers, outstate sellers of
 27 mixed spirit drink, and outstate sellers of wine to verify the
 28 remission of taxes to this state. ~~The~~ **Except as otherwise provided**
 29 **in this subsection, the** commission shall not require that the tax



1 be paid in less than monthly intervals. **Beginning March 15, 2020,**
2 **the commission shall not require that the tax be paid in less than**
3 **quarterly intervals.** The rules ~~shall be under this subsection must~~
4 **be** promulgated pursuant to the administrative procedures act of
5 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

9 (a) Senate Bill No. ____ or House Bill No. 5342 (request no.
10 04270'19).

11 (b) Senate Bill No. ____ or House Bill No. 5344 (request no.
12 04270'19 a).

13 (c) Senate Bill No. ____ or House Bill No. 5348 (request no.
14 04540'19).

15 (d) Senate Bill No. ____ or House Bill No. 5354 (request no.
16 04747'19).

17 (e) Senate Bill No. ____ or House Bill No. 5350 (request no.
18 05038'19).

19 (f) Senate Bill No. ____ or House Bill No. 5349 (request no.
20 05039'19).

21 (g) Senate Bill No. ____ or House Bill No. 5345 (request no.
22 05041'19).

23 (h) Senate Bill No. ____ or House Bill No. 5352 (request no.
24 05042'19).

25 (i) Senate Bill No. ____ or House Bill No. 5343 (request no.
26 05074'19).

27 (j) Senate Bill No. ____ or House Bill No. 5355 (request no.
28 05075'19).

29 (k) Senate Bill No. ____ or House Bill No. 5341 (request no.



1 05076'19).

2 (l) Senate Bill No.____ or House Bill No. 5347 (request no.
3 05077'19).

4 (m) Senate Bill No.____ or House Bill No. 5353 (request no.
5 05078'19).

6 (n) Senate Bill No.____ or House Bill No.____ (request no.
7 05122'19).

8 (o) Senate Bill No.____ or House Bill No. 5351 (request no.
9 05151'19).

