

Act No. 110
Public Acts of 2020
Approved by the Governor
July 1, 2020
Filed with the Secretary of State
July 1, 2020
EFFECTIVE DATE: July 1, 2020

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Reps. Wentworth, Hall, Cambensy, Garza and Wendzel

ENROLLED HOUSE BILL No. 5346

AN ACT to amend 1998 PA 58, entitled “An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts,” by amending section 301 (MCL 436.1301), as amended by 2014 PA 49.

The People of the State of Michigan enact:

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

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

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

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

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

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

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

incorporation of a farmers' cooperative corporation as provided for in this section, the members of or the stockholders in the corporation are certified to be Michigan grape and fruit growing farmers. Wine making by cooperative corporations on farm premises is allowed, but all sales of the wine must be made by the corporation and from the corporation premises.

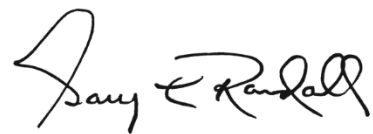
(8) A wine maker or manufacturer of a mixed spirit drink may designate a wholesaler to pay the tax on behalf of the wine maker or manufacturer, respectively. If a wine maker or manufacturer designates a wholesaler to pay the tax on its behalf, that wine maker or manufacturer shall notify the commission of the designation and provide the commission with a copy of its report of wine premises operations that it filed with the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of Treasury for each calendar year. A wholesaler that is responsible for the payment of the tax under this section or that is designated to pay the tax under this section on behalf of the wine maker or manufacturer of the mixed spirit drink is only required to pay the tax on the number of liters actually sold by the wholesaler to licensed retailers.

(9) The commission shall establish by rule a method for the collection of the tax levied in this section and reporting requirements for wholesalers, wine makers, outstate sellers of mixed spirit drink, and outstate sellers of wine to verify the remission of taxes to this state. Except as otherwise provided in this subsection, the commission shall not require that the tax be paid in less than monthly intervals. Beginning March 15, 2020, the commission shall not require that the tax be paid in less than quarterly intervals. The rules under this subsection must be promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

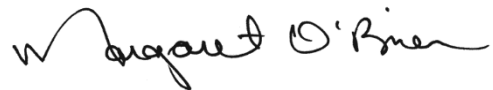
Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 100th Legislature are enacted into law:

- (a) House Bill No. 5341.
- (b) House Bill No. 5342.
- (c) House Bill No. 5343.
- (d) House Bill No. 5344.
- (e) House Bill No. 5345.
- (f) House Bill No. 5347.
- (g) House Bill No. 5348.
- (h) House Bill No. 5349.
- (i) House Bill No. 5350.
- (j) House Bill No. 5351.
- (k) House Bill No. 5352.
- (l) House Bill No. 5353.
- (m) House Bill No. 5354.
- (n) House Bill No. 5355.
- (o) House Bill No. 5400.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor