

Legislative Analysis



INCREASE ALCOHOLIC LIQUOR DISCOUNT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4113 as introduced
Sponsor: Rep. Samantha Steckloff
Committee: Regulatory Reform
Complete to 4-30-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4113 would amend the Michigan Liquor Control Code to increase the amount that on-premises licensees can deduct from the price of alcoholic liquor bought from the state. Currently, these licenses are entitled to a 17% discount for eligible purposes.¹ Under the bill, this discount would be increased to 23%.

MCL 436.1233

BACKGROUND:

The bill is identical to House Bill 4757 of the 2023-24 legislative session as that bill was passed by the House.²

FISCAL IMPACT:

The bill would significantly reduce general fund revenues from the Liquor Purchase Revolving Fund (LPRF). Pursuant to statute, the LPRF transfers net income to the state general fund at the end of each fiscal year.

Based on the most recent financial report available (FY 2022), the existing 17% licensee discount totaled \$323.8 million. Increasing the licensee discount to 23% would increase the licensee discount payment by approximately \$113.9 million, which would result in a corresponding general fund revenue loss of approximately \$113.9 million.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ Under a provision enacted during the COVID-19 pandemic, the discount was temporarily increased to 23% from July 1, 2020 until July 1, 2021.

² <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2023-HB-4757>