



SENATE BILL No. 1110

September 10, 1996, Introduced by Senator CISKY and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend section 40 of Act No. 8 of the Public Acts of the Extra Session of 1933, entitled as amended "The Michigan liquor control act," as amended by Act No. 421 of the Public Acts of 1994, being section 436.40 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 40 of Act No. 8 of the Public Acts of
2 the Extra Session of 1933, as amended by Act No. 421 of the
3 Public Acts of 1994, being section 436.40 of the Michigan
4 Compiled Laws, is amended to read as follows:

5 Sec. 40. (1) Except as provided in this section, the com-
6 mission shall levy and collect a tax on all beer manufactured or
7 sold in this state at the rate of \$6.30 per barrel if the beer is
8 sold in bulk or in different quantities. The tax shall be paid
9 by the brewer or brewpub if manufactured in this state or by the

1 wholesaler or the person from whom purchased if manufactured
2 outside this state, whichever is designated by the commission.
3 The commission shall establish by rule a method for the collec-
4 tion of the tax levied in this subsection. The rules shall be
5 promulgated pursuant to the administrative procedures act of
6 1969, Act No. 306 of the Public Acts of 1969, ~~as amended,~~ being
7 sections 24.201 to 24.328 of the Michigan Compiled Laws.

8 (2) The tax levied in subsection (1) shall not be collected
9 with respect to beer that is consumed on the premises of the man-
10 ufacturer or is damaged in the process of brewing, packaging, and
11 storage and is not offered for sale, except that beer sold by a
12 brewpub for consumption on the premises or beer produced and con-
13 sumed on the premises of a micro brewer ~~shall be~~ IS subject to
14 the tax levied under subsection (1).

15 (3) The tax ~~collected~~ LEVIED under subsection (1) shall be
16 rebated to the person who paid the tax if that person provides
17 satisfactory proof to the commission that the beer was shipped
18 outside of this state for sale and consumption outside this
19 state.

20 (4) For the purposes of ~~taxation~~ THE TAX LEVIED UNDER SUB-
21 SECTION (1), ~~a barrel shall be construed to contain~~ OF BEER
22 CONTAINS 31 gallons.

23 (5) The commission may promulgate a rule that designates the
24 states ~~—~~ OR the laws ~~—~~ or the rules of other states that
25 require a licensed wholesaler of beer to pay an additional fee
26 for the right to purchase, import, or sell beer manufactured in
27 this state; that denies the issuance of a license authorizing the

1 importation of beer to any licensed wholesaler of beer in that
2 state who may make application for the license; that prohibits
3 licensed wholesalers of beer in that state from possessing or
4 selling beer purchased in this state, unless the person from whom
5 purchased has secured a license and paid a fee in that state, if
6 the seller ~~neither transports~~ DOES NOT TRANSPORT the beer into
7 the state ~~nor sells~~ AND DOES NOT SELL the beer in the state; or
8 that imposes any higher taxes or inspection fees upon beer manu-
9 factured in this state when transporting THE BEER into or ~~sold~~
10 SELLING THE BEER in that state ~~—~~ than ~~is~~ TAXES OR FEES
11 imposed upon beer manufactured and sold within that state. ~~The~~
12 A rule PROMULGATED UNDER THIS SUBSECTION shall prohibit all
13 licensees from purchasing, receiving, possessing, or selling any
14 beer manufactured in any state designated in the rule. ~~The~~ A
15 rule ~~shall become~~ PROMULGATED UNDER THIS SUBSECTION BECOMES
16 effective as provided in section 47 of Act No. 306 of the Public
17 Acts of 1969, being section 24.247 of the Michigan Compiled
18 Laws. Any licensee or person adversely affected by ~~the~~ A rule
19 PROMULGATED UNDER THIS SUBSECTION is entitled to review by leave
20 to ~~the proper~~ A court OF COMPETENT JURISDICTION REGARDING the
21 question as to whether the commission acted illegally or in
22 excess of ITS authority in making its finding UNDER THIS
23 SUBSECTION with respect to any state.

24 (6) An eligible brewer may claim a credit against the tax
25 levied ~~in~~ UNDER subsection (1) in the amount of \$2.00 per
26 barrel. As used in this subsection, "eligible brewer" means a
27 brewer, whether or not located in this state, or brewpub that

1 manufactures ~~less~~ NOT MORE than ~~20,000~~ 60,000 barrels of beer
2 during the tax year for which the credit is claimed. In deter-
3 mining the number of barrels for purposes of the credit, all
4 brands and labels of a brewer shall be combined and all facili-
5 ties for the production of beer that are owned or controlled by
6 the same person shall be treated as a single facility.