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Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

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Senate Bill 133 (as reported without amendment)

Sponsor: Senator Jon Cisky

Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend the Michigan Liquor Control Act to increase the amount of beer that a brewer may manufacture and remain eligible for a credit against the tax imposed on beer manufacturers and distributors. Under the Act, the Liquor Control Commission is required to collect a tax on all beer manufactured or sold in this State at the rate of \$6.30 per barrel if the beer is sold in bulk or in different quantities. An eligible brewer, however, may claim a credit against the tax in the amount of \$2 per barrel. "Eligible brewer" means a brewer, whether or not located in this State, or brewpub that manufactures less than 20,000 barrels of beer during the tax year for which the credit is claimed. Under the bill, an eligible brewer could manufacture up to 30,000 barrels during the tax year.

MCL 436.40

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

Increasing the limit, for the \$2 per barrel beer credit, from 20,000 barrels to 30,000 barrels produced annually would have no State or local fiscal impact under existing circumstances. Currently no Michigan-located beer producer produces between 20,000 and 30,000 barrels annually. Several breweries located outside of Michigan are presently eligible for the credit, but are not taking it. If additional out-of-state breweries that produce between 20,000 barrels and 30,000 barrels annually were to take the credit, then there would be a State cost.

Date Completed: 3-24-97

Fiscal Analyst: R. Ross

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