

HOUSE BILL No. 5275

February 4, 2014, Introduced by Reps. Geiss, Driskell, Slavens, Hovey-Wright, Roberts, Brunner, Brown, Lane, LaVoy, Abed, Faris, Daley, Schmidt, Dianda, Dillon, Brinks and Singh and referred to the Committee on Regulatory Reform.

A bill to amend 1998 PA 58, entitled
"Michigan liquor control code of 1998,"
(MCL 436.1101 to 436.2303) by adding section 613.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 613. (1) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION
2 (3), A WINE MAKER, SMALL WINE MAKER, BREWER, MICRO BREWER, OR
3 BREWPUB MAY CLAIM A CREDIT AGAINST THE TAX ON WINE UNDER SECTION
4 301 OR THE TAX ON BEER PAID UNDER SECTION 409, WHICHEVER IS
5 APPLICABLE, FOR CERTAIN WINE, BEER, MEAD, OR CIDER THAT IS
6 MANUFACTURED AND SOLD BY THE CLAIMANT THAT SATISFIES EITHER OF THE
7 FOLLOWING:

8 (A) BEGINNING JANUARY 1, 2015 AND EACH YEAR THEREAFTER THROUGH
9 DECEMBER 31, 2019, THE BEER IS PRODUCED WITH AT LEAST 20% OF ITS
10 HOPS GROWN OR PRODUCED IN THIS STATE AND AT LEAST 40% OF THE OTHER

1 INGREDIENTS GROWN OR PRODUCED IN THIS STATE OR THE WINE, MEAD, OR
2 CIDER OF ANY ALCOHOLIC CONTENT IS PRODUCED WITH AT LEAST 40% OF ITS
3 INGREDIENTS GROWN OR PRODUCED IN THIS STATE, WHICHEVER IS
4 APPLICABLE.

5 (B) BEGINNING JANUARY 1, 2020 AND EACH YEAR THEREAFTER, THE
6 BEER IS PRODUCED WITH AT LEAST 40% OF ITS HOPS GROWN OR PRODUCED IN
7 THIS STATE AND AT LEAST 50% OF THE OTHER INGREDIENTS GROWN OR
8 PRODUCED IN THIS STATE OR THE WINE, MEAD, OR CIDER OF ANY ALCOHOLIC
9 CONTENT IS PRODUCED WITH AT LEAST 50% OF ITS INGREDIENTS GROWN OR
10 PRODUCED IN THIS STATE, WHICHEVER IS APPLICABLE.

11 (2) ANY BEER, WINE, MEAD, OR CIDER WITH ANY ALCOHOLIC CONTENT
12 THAT IS MANUFACTURED AND PRODUCED AS PRESCRIBED IN SUBSECTION
13 (1) (A) OR (B) MAY BEAR THE "MICHIGAN FARM TO GLASS" LABEL. THE
14 AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR BEER, WINE,
15 MEAD, OR CIDER WITH ANY ALCOHOLIC CONTENT THAT MAY BEAR THE
16 "MICHIGAN FARM TO GLASS LABEL" SHALL BE CALCULATED AS FOLLOWS:

17 (A) FOR THE FIRST 500,000 GALLONS PRODUCED AND SOLD, \$0.08 PER
18 GALLON.

19 (B) FOR THE NEXT 14,500,000 GALLONS PRODUCED AND SOLD, \$0.04
20 PER GALLON.

21 (C) NO CREDIT SHALL BE ALLOWED AFTER 15,000,000 GALLONS HAVE
22 BEEN PRODUCED AND SOLD.

23 (3) IN THE EVENT OF A NATURAL DISASTER OR OTHER CONDITION THAT
24 DESTROYS MANY OF THE NECESSARY INGREDIENTS IN THIS STATE FOR THE
25 MANUFACTURING OF BEER, WINE, MEAD, OR CIDER OF ANY ALCOHOLIC
26 CONTENT, THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF
27 AGRICULTURE AND RURAL DEVELOPMENT, MAY, ONLY FOR A CLAIMANT THAT

1 HAS CLAIMED A CREDIT UNDER THIS SECTION FOR THE IMMEDIATELY
2 PRECEDING 3 CONSECUTIVE YEARS, APPROVE A CREDIT FOR BEER, WINE,
3 MEAD, OR CIDER OF ANY ALCOHOLIC CONTENT THAT DOES NOT SATISFY
4 SUBSECTION (1) (A) OR (B), WHICHEVER IS APPLICABLE, BECAUSE THAT
5 PRODUCT HAD TO BE PRODUCED FROM INGREDIENTS GROWN OR PRODUCED
6 OUTSIDE OF THIS STATE AS A RESULT OF THE NATURAL DISASTER OR OTHER
7 CONDITION THAT DESTROYED MUCH OF THE NECESSARY CROP NEEDED FOR
8 PRODUCTION DURING THAT YEAR.

9 (4) A CLAIM FOR A REFUND OR CREDIT OF THE TAX AS PROVIDED IN
10 THIS SECTION SHALL BE MADE NO LATER THAN 3 MONTHS AFTER THE DATE OF
11 THE SALE OF THE BEER, WINE, MEAD, OR CIDER OF ANY ALCOHOLIC CONTENT
12 DESCRIBED IN SUBSECTION (1) OR (3). A CLAIM FOR A REFUND OR CREDIT
13 OF THE TAX AS PROVIDED IN THIS SECTION SHALL BE SUBMITTED TO THE
14 COMMISSION ON A FORM APPROVED BY THE COMMISSION. THE CLAIM SHALL
15 CONTAIN THE FOLLOWING INFORMATION, AS APPLICABLE:

16 (A) THE NAME AND BUSINESS ADDRESS OF THE VENDOR CLAIMING THE
17 REFUND OR CREDIT.

18 (B) THE KIND OF BEER, WINE, MEAD, OR CIDER OF ANY ALCOHOLIC
19 CONTENT.

20 (C) THE SIZE OF BOTTLES OR CONTAINERS.

21 (D) THE NUMBER OF BOTTLES OR CONTAINERS.

22 (E) A STATEMENT THAT OTHER CLAIMS FOR A REFUND OR CREDIT OF
23 THE AMOUNT CLAIMED OR FOR ANY PART OF THE AMOUNT CLAIMED HAVE NOT
24 BEEN AND WILL NOT BE MADE.

25 (F) EVIDENCE THAT THE TAX ON THE BEER, WINE, MEAD, OR CIDER OF
26 ANY ALCOHOLIC CONTENT HAS BEEN PAID.

27 (G) EVIDENCE THAT THE BEER, WINE, MEAD, OR CIDER OF ANY

1 ALCOHOLIC CONTENT WAS MANUFACTURED WITH THE REQUISITE AMOUNT OF
2 INGREDIENTS PRODUCED OR GROWN IN THIS STATE.

3 (H) IF APPLICABLE, WRITTEN DOCUMENTATION FROM THE COMMISSION
4 INDICATING THE DECLARATION OF A NATURAL DISASTER OR OTHER CONDITION
5 AND APPROVAL OF A CREDIT FOR CERTAIN PRODUCTS APPROVED PURSUANT TO
6 SUBSECTION (3).