

# SENATE BILL No. 1068

June 12, 2018, Introduced by Senators HERTEL, SCHMIDT and KNEZEK and referred to the Committee on Economic Development and International Investment.

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 1201, 1203, and 1207 (MCL 436.2201, 436.2203, and 436.2207).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1201. (1) In addition to any and all taxes imposed by  
2 law, there is imposed and levied upon and collected a specific tax  
3 equal to 4% of the retail selling price of spirits. The tax shall  
4 be collected by the commission at the time of sale by the  
5 commission. In the case of sales to licensees, the tax shall be  
6 computed on the retail selling price established by the commission  
7 without allowance of discount.

8           (2) Upon collection, the commission shall deposit the entire  
9 proceeds in the state treasury, **SUBJECT TO SECTION 1207(7)**, to the  
10 credit of the general fund.

1           (3) If section 1201 is repealed, every licensee, who has on  
2 hand any spirits on the effective date of the repeal, shall file a  
3 complete inventory of those spirits with the commission within 20  
4 days after the repeal. The commission shall credit to such a  
5 licensee an amount equal to 4% of the retail selling price of those  
6 spirits on future purchases of spirits from the commission.

7           Sec. 1203. (1) In addition to any and all taxes imposed by  
8 law, there is imposed, levied upon, and collected a specific tax  
9 equal to 4% retail selling price of spirits. The tax shall be  
10 collected by the commission at the time of sale by the commission.  
11 In the case of sales to licensees, the tax shall be computed on the  
12 retail selling price established by the commission without  
13 allowance of discount.

14           (2) Upon collection, the commission shall deposit the entire  
15 proceeds in the state treasury, **SUBJECT TO SECTION 1207(7)**, to the  
16 credit of the state school aid fund established by sections 8, 10,  
17 and 11 of article IX of the state constitution.

18           Sec. 1207. (1) The legislature finds and declares that there  
19 exists in this state a continuing need for programs to promote  
20 tourism and convention business in order to assist in the  
21 prevention of unemployment and the alleviation of the conditions of  
22 unemployment, to preserve existing jobs, and to create new jobs to  
23 meet the employment demands of population growth. In order to  
24 achieve these purposes, it is necessary to assist and encourage  
25 local units of government to acquire, construct, improve, enlarge,  
26 renew, replace, repair, furnish, and equip convention facilities  
27 and the real property on which they are located.

1           (2) In addition to any other taxes imposed by law, there is  
2 imposed, levied upon, and collected a specific tax equal to 4% of  
3 the retail selling price of spirits for consumption on the  
4 premises. The tax shall be collected by the commission at the time  
5 of sale by the commission. In the case of sales to licensees, the  
6 tax shall be computed on the retail selling price established by  
7 the commission without allowance of discount.

8           (3) In addition to any other taxes imposed by law, there is  
9 imposed, levied upon, and collected a specific tax equal to 4% of  
10 the retail selling price of spirits for consumption off the  
11 premises. The tax shall be collected by the commission at the time  
12 of the sale by the commission.

13           (4) Upon collection, the commission shall deposit the proceeds  
14 of the taxes imposed pursuant to subsections (2) and (3), **SUBJECT**  
15 **TO SUBSECTION (7)**, in the state treasury to the credit of the  
16 convention facility development fund created by the state  
17 convention facility development act, 1985 PA 106, MCL 207.621 to  
18 207.640, for distribution and use only in the manner and for the  
19 purposes stated in that act.

20           (5) The tax imposed by this act shall not be levied during any  
21 period in which the tax imposed pursuant to the state convention  
22 facility development act, 1985 PA 106, MCL 207.621 to 207.640, is  
23 not levied.

24           (6) This section shall not be construed as making  
25 appropriations.

26           (7) **THE COMMISSION SHALL DEPOSIT AN AMOUNT EQUAL TO 50% OF THE**  
27 **TOTAL ANTICIPATED INCREMENTAL INCREASE IN THE COLLECTIONS OF THE**

1 TAX IMPOSED UNDER SECTIONS 1201, 1203, AND THIS SECTION  
2 ATTRIBUTABLE TO THE PREPARATION FOR AND HOSTING OF LARGE SPECIAL  
3 EVENTS AND RELATED ACTIVITIES, AS DETERMINED BY THE TREASURER  
4 PURSUANT TO SECTION 6(1)(A) OF THE LARGE SPECIAL EVENTS FUND ACT,  
5 EACH STATE FISCAL YEAR INTO THE LARGE SPECIAL EVENTS FUND CREATED  
6 IN SECTION 4 OF THE LARGE SPECIAL EVENTS FUND ACT.