

STATE OF MICHIGAN

DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
LIQUOR CONTROL COMMISSION

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ADMINISTRATIVE ORDER

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Whereas, MCL 436.1409(1) provides, in part: “. . . the commission shall levy and 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. The tax shall be paid by the brewer or brewpub if manufactured in this state or by the wholesaler or the person from whom purchased if manufactured outside this state, whichever is designated by the commission. The commission shall establish by rule a method for the collection of the tax levied in this subsection. . . .”, and

Whereas, MCL 436.1301 provides, in part: “(1) The commission shall levy and collect on all wines containing 16% or less of alcohol by volume sold in this state a tax at the rate of 13.5 cents per liter if sold in bulk and in a like ratio if sold in smaller quantities. (2) The commission shall levy and collect on all wines containing more than 16% of alcohol by volume sold in this state a tax at the rate of 20 cents per liter if sold in bulk and in a like ratio if sold in smaller quantities. . . . (4) The commission shall levy and collect on all mixed spirit drink sold in this state a tax at the rate of 48 cents per liter if sold in bulk or a like ratio if sold in smaller quantities. . . .”, and

Whereas, MCL 436.2201, MCL 436.2203, MCL 436.2205 and MCL 436.2207 impose specific taxes totaling 13.85% on the retail sale of spirits, including brandy, and

Whereas, R 436.1621, MAC, provides, in part: “(1) Each brewer and each outstate seller of beer whose beer tax liability for the preceding calendar year has averaged less than \$50,000.00 per month shall submit to the commission, on forms acceptable to the commission and postmarked not later than the fifteenth day of each month, a beer tax report of all beer sold, delivered, or imported into this state during the previous calendar month and shall also submit, with the beer tax report, the payment of the required beer excise tax due . . . (2) Each brewer and each outstate seller of beer whose beer tax liability for the preceding calendar year has averaged \$50,000.00 or more per month shall submit to the commission, on forms acceptable to the commission, 2 beer tax reports each month. One beer tax report shall be postmarked not later than the last day of

each month and may be either an estimate or an actual report of all beer sold, delivered, or imported into this state during the first 15 days of that month. Payment of the required beer excise tax due . . . shall be included with the report. A second beer tax report shall be postmarked not later than the fifteenth day of each month and shall report all beer sold, delivered, or imported into this state during the preceding calendar month. Payment of the beer excise tax required . . . less the amount of beer excise tax previously paid for the month, shall be included with the report. . . .”, and

Whereas, R 436.1725, MAC, provides, in part: “(1) Each wine maker and each small wine maker shall submit, to the commission, on forms acceptable to the commission and postmarked not later than the fifteenth day of each month, a report of operations for the preceding calendar month. Payment of the wine excise tax required . . . shall accompany the report . . . (2) Each outstate seller of wine shall submit, to the commission, on forms acceptable to the commission and postmarked not later than the fifteenth day of each month, a wine tax report of all wine sold, delivered, or imported into this state during the preceding calendar month. Payment of the required wine excise tax . . . shall accompany the report. . . .”, and

Whereas, R 436.1911(1), MAC, provides, in part: “(1) If a person fails or refuses to pay the tax required by this act, the commission shall assess the tax against that person and the tax shall become due and payable together with a penalty or penalties that the commission considers appropriate, but not to exceed \$5,000.00, upon demand by the commission or a person designated by the commission. . . .”

Therefore, it is the Order of the Commission that licensees who do not file the applicable tax report for beer, wine, mixed spirit drink, or brandy, are late in filing a tax report, or are late submitting the tax payment, as determined by the postmark on the envelope, the facsimile date, or the ACH (electronic funds transfer) payment date, shall be assessed fees as follows:

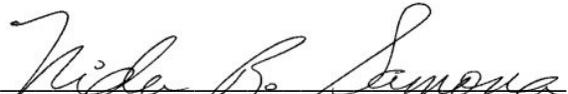
If the report or payment for beer, wine, mixed spirit drink or brandy or, when applicable, the estimated payment for beer, is submitted past the established deadline a late fee of \$25.00 shall be assessed by the Commission.

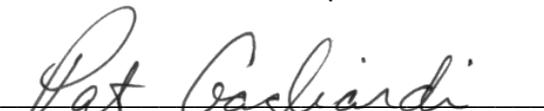
Interest will be calculated at the rate of 1% per month compounded on the unpaid balance, or estimated payment for beer, that is due until the amount due is paid in full. Such interest will be calculated at a full 1% a month, or any part of a month, without reduction for partial months.

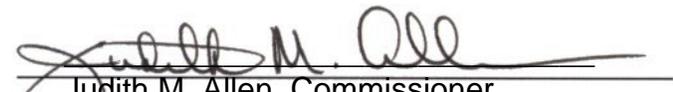
A letter notifying the licensee of the late fees and interest shall be sent by the Commission.

Further, it is the Order of the Commission that licensees shall be cited for a violation under the following circumstances:

- Licensees who are late in filing required monthly tax reports more than three times within a 12-month period.
- Licensees who are late in making monthly tax payments more than three times within a 12-month period.
- Licensees who are late in filing quarterly tax reports more than twice within a 12-month period.
- Licensees who are late in making quarterly tax payments more than twice within a 12-month period.
- Licensees who are more than three months late in filing any required report.
- Licensees who are more than three months late in making any required tax payment.

  
Nida R. Samona, Chairperson

  
Pat Gagliardi, Commissioner

  
Judith M. Allen, Commissioner

Dated: January 30, 2007