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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN LIQUOR CONTROL COMMISSION  
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November 01, 2011

Dear Subscriber:

Enclosed, please find your second update to the April 2011 edition of the *Michigan Liquor Control Code, Administrative Rules and Related Laws*. The pages included herein replace those already present in your book. You may also wish to visit our website for an up-to-date electronic copy of this publication. You can locate the online version under the Quick Links section on the upper right-hand corner of our website at [www.michigan.gov/lcc](http://www.michigan.gov/lcc).

The following provides a review of the changes that have occurred since your last update in August, 2011:

- TAXES ON SPIRITS FOR OFF-PREMISES LICENSEES
  - Amends MCL 436.1229 and Repeals MCL 436.2205
    - P.A. 166, 2011 (SB 331)
      - Effective 10/11/2011
        - BACKGROUND: This new law addresses concerns raised by the passage of the "catering bills" earlier this session, which allowed on-premise licensees with catering licenses to use their own liquor for catering events. Previously, on-premise licensees had to purchase their liquor for catering from off-premise retailers. Thus, off-premise retailers felt they stood to lose a substantial percentage of their business to on-premise licensees. As a way for the retailers to offset that potential loss, PA 166 has eliminated the 1.85% tax that was exclusive to off-premise licensees.
        - CONTENT CHANGES: PA 166 of 2011 has amended Section 229 and repealed Section 1205 of the Michigan Liquor Control Code. In so doing, statutory obligations to assess a 1.85% tax on the retail selling price of spirits for off-premises consumption and to collect the specific tax at the time the MLCC sells the spirits and deposit the proceeds into the General Fund have been eliminated, as has the reference to the specific tax from the definition of the "minimum retail selling price" found in Section 229.

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- Misnumbered Subsections
  - Corrected subsections 7-10 to accurately display subsections 6-11 in 436.1801.
  
- Administrative Rule Changes
  - The amended rules rescind the Commission's ability to disapprove labels submitted for registration and correct some outdated language referencing the name of the Department and the cost of providing copies of the provisions of the Code of Federal Regulations, etc.
    - **BEER RULES**
      - R 436.1611 Labels and Advertising
        - Rule 11
    - **WINE RULES**
      - R 436.1719 Requirements for Sale of Bottled Wine
        - Rule 19
    - **SPIRIT RULES**
      - R 436.1825 Adoption by Reference of Federal Standards of Identity for Spirits
        - Rule 25
      - R 436.1829 Labels and Advertising
        - Rule 29

Respectfully,

Tim Kovacik, Deputy Director  
Executive Services  
Michigan Liquor Control Commission

*Enclosure: November 2011 Quarterly Update Page Replacements*