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INCREASE DISCOUNT TO LIQUOR LICENSEES

House Bill 4458

Sponsor: Rep. Sal Rocca

Committee: Regulatory Reform

Complete to 10-9-03

A SUMMARY OF HOUSE BILL 4458 AS INTRODUCED 3-26-03

Retail prices of bottled liquor, or spirits, are established by the Liquor Control Commission. Under the Michigan Liquor Control Code, the LCC establishes uniform prices for the sale of alcoholic liquor by applying a state markup to the cost of the product to the state. A discount from the retail price is provided when the state sells the product to on-premise retailers (e.g., bars and restaurants) and off-premise retailers (e.g., grocery stores, drugstores, and package liquor stores). Currently, the discount is set in statute at 17 percent. House Bill 4458 would increase the discount to 20 percent.

(The markup, or gross profit to the LCC, is set in statute at not less than 51 percent or more than 65 percent. The current actual markup is 65 percent. The bill would not change the markup provisions in the code. Spirits sold for off-premises consumption must be sold at the uniform retail price. Spirits sold for consumption on the premises can be sold at any price above the cost to the retailer.)

MCL 436.1233

House Bill 4458 (10-9-03)

Analyst: C. Couch

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.