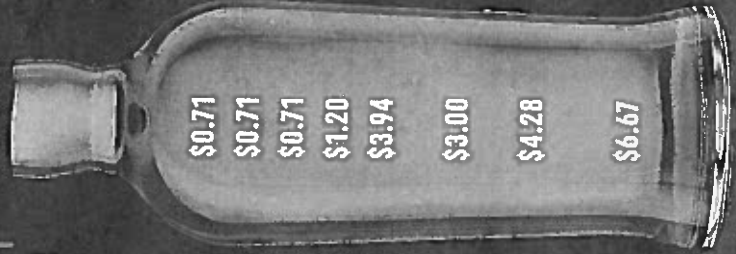


COST BREAKOUT OF A SPIRIT WITH A \$19.99 SHELF PRICE

MLCC mark-up is 65%

- Convention Facilities Tax - 4%
- School Aid Tax - 4%
- General Fund Tax - 4%
- Retail Sales Tax - 6%
- Michigan Liquor Control Commission Profit
- Licensor Profit through Discount
- Federal Excise Tax (\$13.50 per proof gallon paid by distillery or importer)
- Distillery or Importer



\$0.71
\$0.71
\$0.71
\$1.20
\$3.94
\$3.00
\$4.28
\$6.67



Pick up a copy of our "Pure Spirits" magazine at any Michigan Welcome Center or at many Spirits Retailers around the state.

Sign up for a *free subscription* of the online version of "Pure Spirits" at eguide.mispirits.org

MEMBERS AS OF MAY 2019

- Agave Loco
- Bacardi USA
- Beam Suntory
- Broken Shed Vodka
- Brown Forman
- Campari Group
- Casamigos Spirits Company
- Constellation Brands
- Coppercraft Distillery
- Deep Eddy Vodka
- Detroit City Distillery
- Diageo
- Elite Beverage
- Grand River Distillery
- High Five Spirits
- Imperial Beverage
- Infinitum Spirits
- Laird & Co
- Luxco
- MastHagermeister US
- McCormick Distilling
- Patron Spirits
- Pernod
- Phillips Distilling
- Proximo Spirits
- Remy USA
- RNDC MI
- Sazerac Company
- Sompriya Fine Spirits
- Southern Wine & Spirits
- Stoll Group USA
- Tito's Vodka
- Traverse City Whiskey Company
- William Grant & Sons

ALLIED MEMBERS

- Benchmark Beverages
- DISCUS
- JGJ Marketing Inc.
- Keep it Simple Syrup by Chef Sous LLC
- Leisure Media 360
- MIFA
- MLBA
- NABCA
- The Social Connection
- Valentine Distilling Co.



Michigan Spirits Association
 110 W. Michigan Ave., Suite 500
 Lansing, MI 48933
 517-853-5738

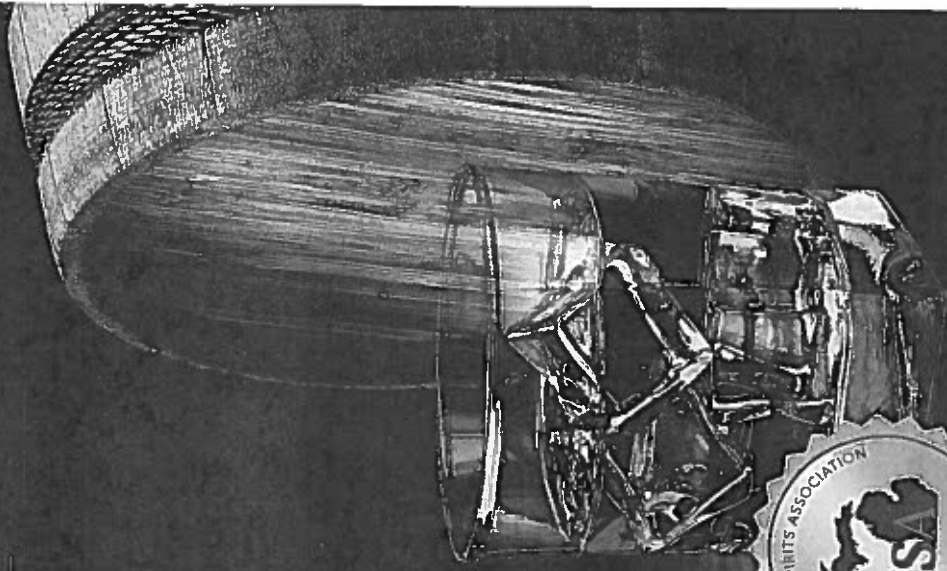
Contact:

info@mispirits.org
www.MISpiritsAssoc.com

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MICHIGAN SPIRITS ASSOCIATION

MSA

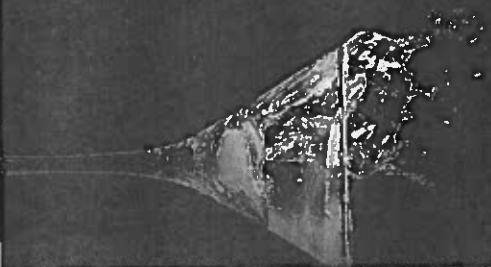


REPRESENTING MICHIGAN'S LIQUOR INDUSTRY FOR OVER 50 YEARS

BACKGROUND

Established in 1967, the Michigan Spirits Association represents the vendors, suppliers and distributors of distilled spirit products. We partner with the Michigan Liquor Control Commission to ensure that quality products are available to meet consumer demand across the state.

Our members provide tens of thousands of jobs for Michigan residents and generate over \$400 million annually in liquor revenue, making the spirits industry one of the state's largest revenue sources. In fact, Michigan Spirits Association members represent more than 74 percent of the more than 8.3 million cases of liquor sold in the state each year.



ADVOCACY

The Michigan Spirits Association serves as an effective voice for its members at the state Capitol. In addition to active lobbying and daily monitoring of both regulatory and legislative issues, the Association diligently advocates for its members on the following:

- Promoting the responsible use of distilled spirits
- Stopping additional mark-ups and tax increases on the distilled spirits industry
- Curtailing underage drinking
- Preventing the bootlegging of distilled spirits and increasing penalties for offenses
- Reducing burdensome regulation on the spirits industry
- Helping the state and our members increase revenue without raising taxes

BY THE NUMBERS

\$13,128,037

Wine Excise Tax for 2017

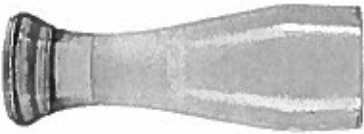


\$0.02

Wine Tax/Drink

\$37,981,405

Beer Excise Tax for 2017

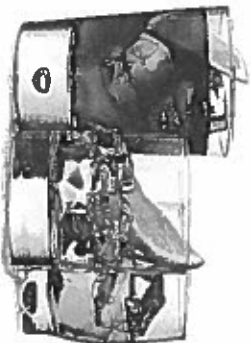


\$0.02

Beer Tax/Drink

\$465 MILLION

In Gross Liquor Revenues
& Taxes to MI in 2017*



\$0.21

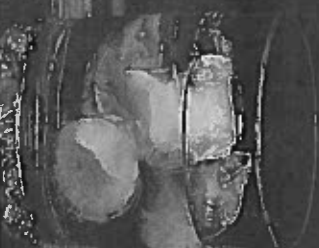
Liquor Tax/Drink

THE MICHIGAN SPIRITS BUSINESS

In fact, in 2017, more than 8.5 million 9-liter cases of spirits were sold for gross revenue of over \$1.3 billion, making Michigan spirit sales the sixth highest in the United States and the largest of the 17 control states. By definition, distilled spirit products are those that contain at least 10 percent alcohol by volume (or 20 proof). Lower proof products are sold through either beer or wine wholesalers. A part of Michigan's economic fabric, the sale and merchandising of distilled spirits fall under the jurisdiction of the Michigan Liquor Control Commission (MLCC). The Commission sets minimum pricing for all liquor sold in the state, which is the same for all retailers. Michigan is among one of the most active states as far as variety and the number of available products. As previously noted, taxes and fees collected from the sale of distilled spirits amount to nearly \$400 million for the state of Michigan each year.

SOCIAL RESPONSIBILITY

For decades, the Michigan Spirits Association and its members have been on the forefront of promoting the responsible consumption of distilled spirits. It is part of our mission and something that we all take very seriously. In addition, the Association advocates for the prevention of underage drinking through vigilant enforcement of state law and strict penalties for violations.



Tax amount contributed by the drink.

*Source -- MLCC 2017 Financial Report



**House Regulatory Reform Committee
June 3, 2020
Testimony Supporting House Bills 5781 and 5811**

Good morning Chairman Webber and committee members. My name is Brendan Ringlever (MLC). I'm here today representing the Michigan Spirits Association (MSA) to express support for House Bills 5781, which allows for social districts, and 5811, which provides for Cocktails to Go.

On behalf of the MSA, I would like to thank you for having this much needed discussion. As you know, the pandemic has had a devastating impact on our on-premise partners. Mr. Chairman, your legislation and Rep. Anthony's will provide much needed opportunities for relief.

As a major revenue contributor, with over \$500,000,000 generated for the state of Michigan each year, MSA member companies are the financial leader amongst all alcoholic beverage sectors in the state and we want our licensee partners to remain healthy too so these positive sales trends continue.

With that in mind, your bill includes a number of provisions that the MSA and other hospitality industry associations have been promoting both nationally and here in Michigan. We've talked with many trade associations and regulators and the administration about these and other ideas. It's good to have these in legislation.

The MSA board expresses full support for these bills. Allowing Cocktails to Go and Social Districts would be a great step. Over 33 states have already adopted Cocktails to Go in response to the pandemic and as summer time approaches, social districts would be a welcome concept for many communities and businesses that might otherwise have reduced indoor seating capacity.

Additionally, allowing Cocktails to Go will place us on par with our other partners in the alcohol industry which currently allows for beer growlers and wine bottles to be taken to go.

Thank you Mr. Chairman for allowing me time to speak today.

