COST BREAKOUT OF A SPIRIT WITH A \$10 SHELF PRICE

MLCC mark-up is 65%

Convention Facilities Tax - 4%

School Aid Tax - 4%

General Fund Tax - 4%

Michigan Liquor Control Commission Profit

Licensee Profit through Discount

Federal Excise Tax (\$13.50 per proof gallon paid by distillery or importer)

> Distillery or Importer Price to State





MEMBERS AS OF JANUARY 2021

McCormick Distilling Agave Loco Bacardi USA **Patron Spirits** Pernod-Ricard **Beam Suntory Brown Forman** Philips Distilling Campari Group Proximo Spirits Remy USA **Casamigos Spirits** Company RNDC MI **Constellation Brands** Sazerac Company **Coppercraft Distillery**

Coppercraft Distillery Southern Wine & Spirits

Detroit City Distillery Stoli Group USA

Edrington Temperance Distilling

Tito's Vodka

Traverse City Whiskey
Company

Western Son Distilling

William Grant & Sons

NON VOTING MEMBERS

American Distillled Spirits Alliance Benchmark Beverages

High Five Spirits

Imperial Beverage

Infinium Spirits

Laird & Co

Luxco

Mast-Jägermeister US

DISCUS JGJ Marketing Inc.

MFEA

Michigan Festivals @

Events Association
MLBA
NABCA
Star One Events LLC

The Deal Promotions LLC
The Social Connection
Valentine Distilling Co.



Michigan Spirits Association 110 W. Michigan Ave., Suite 500

Lansing, MI 48933 517-853-5738

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REPRESENTING MICHIGAN'S LIOUOR INDUSTRY FOR OVER 50 YEARS

BACKGROUND

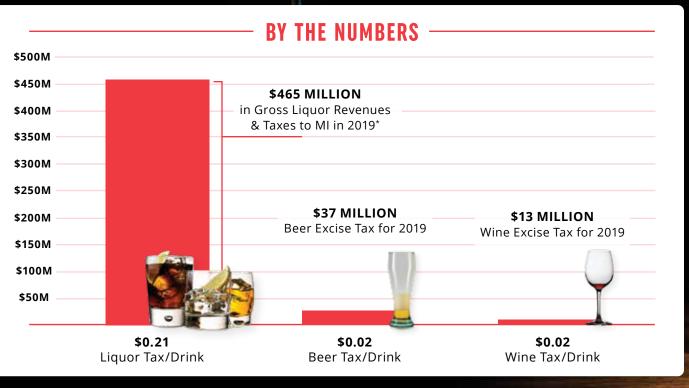
Established in 1967, the Michigan Spirits Association represents the vendors, suppliers and distributors of distilled spirit products. We partner with the Michigan Liquor Control Commission to ensure that quality products are available to meet consumer demand across the state.

Our members provide tens of thousands of jobs for Michigan residents and generate over \$500 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 9.1 million cases of liquor sold in the state each year.



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



THE MICHIGAN SPIRITS BUSINESS

In fact, in 2019, more than 9.1 million 9-liter cases of spirits were sold for gross revenue of over \$1.5 billion, making Michigan spirit sales the sixth highest in the United States and the largest of the 17 control states. 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.

