

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 2022

- | | |
|---------------------------|-------------------------------|
| Bacardi USA | McCormick Distilling |
| Beam Suntory | Patron Spirits |
| Brown Forman | Pernod-Ricard |
| Campari Group | Philips Distilling |
| Casamigos Spirits Company | Proximo Spirits |
| Constellation Brands | Remy USA |
| Coppercraft Distillery | RNDC MI |
| Craz Cello | Sazerac Company |
| Dancing Goat Distillery | Southern Wine & Spirits |
| Detroit City Distillery | Stoli Group USA |
| Edrington | Temperance Distilling |
| High Five Spirits | Tequila Comisario |
| Imperial Beverage | Tito's Vodka |
| Infinium Spirits | Traverse City Whiskey Company |
| Laird & Co | Western Son Distilling |
| Luxco | William Grant & Sons |
| Mast-Jägermeister US | |

NON VOTING MEMBERS

- | | |
|-------------------------------------|-------------------------|
| American Distilled Spirits Alliance | PKGD Spirits Importers |
| Benchmark Beverages | Ranchrider Spirits |
| DISCUS | Star One Events LLC |
| Green Flame Tequila | Teeq Spirits |
| JGJ Marketing Inc. | The Deal Promotions LLC |
| MLBA | The Social Connection |
| NABCA | 375 Park Avenue Spirits |



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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 \$600 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.



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

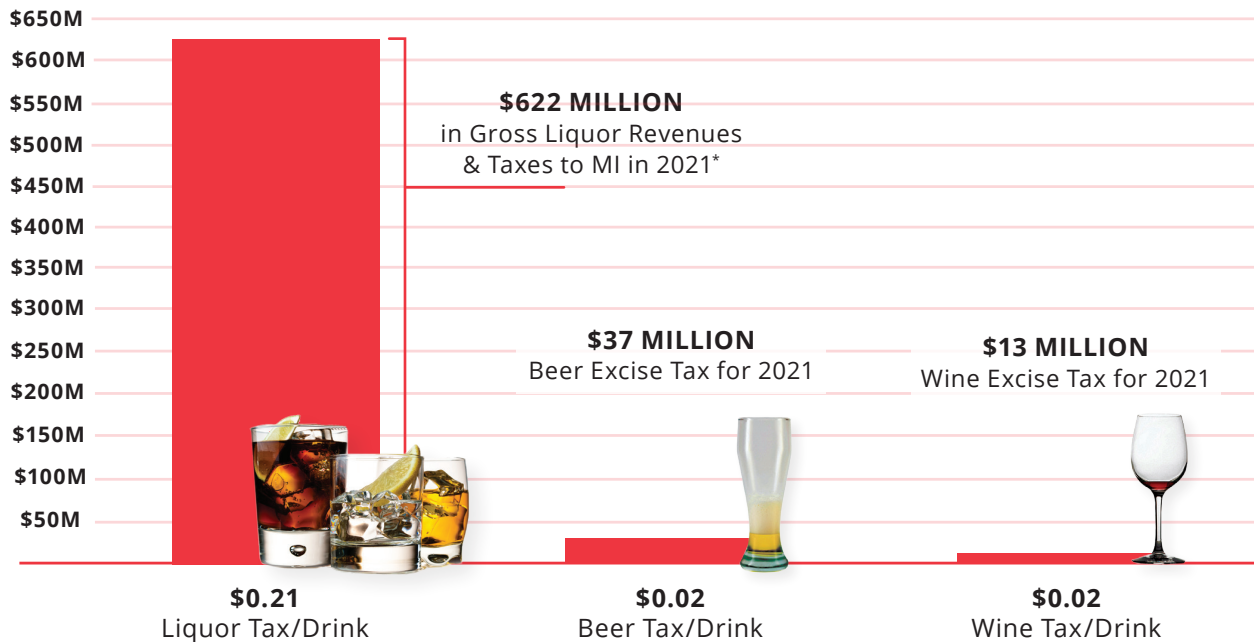
THE MICHIGAN SPIRITS BUSINESS

In fact, in 2022, more than 9.4 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 \$600 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.

BY THE NUMBERS



Tax amount contributed by the drink.

*Source – MLCC 2021 Financial Report

