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## **Specially Designated Merchant Wine Discounts**

On December 11, 2007, the Michigan Liquor Control Commission ruled that Specially Designated Merchant (“SDM”) licensees can request Commission approval to discount wine below cost under limited conditions. The Commission requires each SDM licensee to request permission for each location at which they wish to discount wine.

The Commission’s December 11, 2007 Order requires compliance with the following provisions in order to obtain Commission approval.

1. The Commission will consider price reductions for wine products only, not for beer products.
2. The Commission must receive a list of wines for each Specially Designated Merchant location requesting to discount wines.
3. The list of wines to be discontinued by the Specially Designated Merchant must indicate the brand of wine, the name of the distributor or wine maker who sold the wine to the Specially Designated Merchant, the size of the wine container to be discounted, the quantity of wine containers to be discounted and the proposed discounted retail selling price for each wine.
4. Wine can be discounted no more than 75% of the Specially Designated Merchant’s original purchase price.
5. Wine products to be discontinued must not have been purchased by the Specially Designated Merchant within the last 180 days.
6. Wine products approved by the Commission for discount can not be reordered by the Specially Designated Merchant within one (1) year from the date of the Commission’s approval.
7. Only in-store advertising of the discounted wine is allowed. No advertising of discounted wine is allowed off the licensed premises.
8. A Specially Designated Merchant is limited to requesting wine discounts no more than once every 180 days.

Wine discount requests must either include the dates the wines were last purchased or a statement that the wines have not been purchased within the past 180 days. Upon submission and review of your request, a Commission order will be issued and forwarded to you. We will accept requests and lists/spreadsheets convenient to you as long as all of the information as described above in provision # 3 is included. Discount wine requests can be emailed to [minnickm2@michigan.gov](mailto:minnickm2@michigan.gov) or mailed to the Commission’s Lansing office (addressed below) to the attention of the Enforcement Division. Any questions on this matter should be directed to the Enforcement Division at (517) 284-6330.