

30 ~~[(b)]~~ (ii) "Landed case cost" does not include the outbound shipping cost from a
31 warehouse of the department to a state store.

32 (b) "Proof gallon" has the same meaning as in 26 U.S.C. Sec. 5002.

33 (c) Notwithstanding Section 32A-1-105, "small brewer" means a brewer who
34 manufactures less than 40,000 barrels of beer and heavy beer per year.

35 (2) (a) Except as provided in Subsections (2)(b) and ~~[(c)]~~ (4), ~~[aH]~~ spirituous liquor and
36 wine sold by the department within the state shall be marked up in an amount not less than 86%
37 above the landed case cost to the department.

38 (b) ~~[All spirituous]~~ Spiritous liquor and wine sold by the department to a military
39 ~~[installations]~~ installation in Utah shall be marked up in an amount not less than 15% above the
40 landed case cost to the department.

41 ~~[(c) If a wine manufacturer producing less than 20,000 gallons of wine in any calendar~~
42 ~~year, as verified by the department pursuant to federal or other verifiable production reports,~~
43 ~~first applies to the department for a reduced markup, all wine produced by the wine~~
44 ~~manufacturer and sold to the department shall be marked up by the department in an amount not~~
45 ~~less than 47% above the landed case cost to the department.]~~

46 (3) (a) Except as provided in ~~[Subsection]~~ Subsections (3)(b) and (4), ~~[aH]~~ heavy beer
47 sold by the department within the state shall be marked up in an amount not less than 64.5%
48 above the landed case cost to the department.

49 (b) ~~[All heavy]~~ Heavy beer sold by the department to a military ~~[installations]~~
50 installation in Utah shall be marked up in an amount not less than 15% above the landed case
51 cost to the department.

52 (4) (a) Except for spirituous liquor sold by the department to a military installation in
53 Utah, spirituous liquor that is sold by the department within the state shall be marked up 47%
54 above the landed case cost to the department if:

55 (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000
56 proof gallons of spirituous liquor in a calendar year; and

57 (ii) the manufacturer applies to the department for a reduced markup.

58 (b) Except for wine sold by the department to a military installation in Utah, wine that is
59 sold by the department within the state shall be marked up 47% above the landed case cost to
60 the department if:

61 (i) the wine is manufactured by a manufacturer producing less than 20,000 gallons of
62 wine in a calendar year; and

63 (ii) the manufacturer applies to the department for a reduced markup.

64 (c) Except for heavy beer sold by the department to a military installation in Utah,
65 heavy beer that is sold by the department within the state shall be marked up 30% above the
66 landed case cost to the department if:

67 (i) a small brewer manufactures the heavy beer; and

68 (ii) the small brewer applies to the department for a reduced markup.

69 (d) The department shall verify an amount described in Subsection (4)(a) or (b)
70 pursuant to a federal or other verifiable production report.

71 [~~4~~] (5) Ten percent of the total gross revenue from sales of spiritous liquor, wine, and
72 heavy beer shall be deposited by the department with the state treasurer and credited to the
73 Uniform School Fund to be used to support the school lunch program administered by the State
74 Board of Education under Section 53A-19-201.

75 [~~5~~] (6) Nothing in this section prohibits the department from selling discontinued
76 items at a discount.