



# Maker's Mark In-Lieu Of Payments

CALCULATIONS AND DISCUSSION-JULY 2021

# Types of Taxes

- ▶ Distilled Spirits Tax: Paid on all inventory regardless in a Maker's Mark owned warehouse or an In-Lieu Of identified warehouse.
  - ▶ Paid through the Marion Co. Sheriff's Office
- ▶ Property Tax: Paid on all properties (Distillery, Warehouses, Etc.) in Maker's Mark name.
  - ▶ Paid through the Marion Co. Sheriff's Office
- ▶ In-Lieu Of: Paid in place of property tax; total of 16 approved warehouses (6 in a 2012 agreement (Loretto) and 10 in a 2018 agreement (Brown Forman Road)) These are Marion Co. name and leased to Maker's Mark
  - ▶ Paid directly to Marion County Board of Education

# Formula to Calculate the In-Lieu Of Payment:

- ▶ i. Flat \$12,000 for the Case Finished Goods Warehouse (Crossroads Facility)
- ▶ ii. Barrel Warehouses are calculated by subtracting the current year Nelson Co. Tangible Rate per \$100 minus the Marion Co. Tangible Rate per \$100. That number is compared to the 2012 same formula, then the lesser of the two is multiplied to the Distilled Spirits value in those warehouses included in the IRBs.
  - ▶ Age of the “juice” has different values
  - ▶ Maker’s Mark rotates barrels from the top to bottom over time; a new warehouse isn’t full as they start at the top, once those are rotated down, then new barrels are added to the top to fill the warehouse
- ▶ iii. Total In-Lieu Of is the \$12,000 for the Case Finished Good Warehouse (item i.) plus the number from the calculation in item ii.