



Instructions for Form IT-636

Alcoholic Beverage Production Credit

IT-636-I

General information

You may be eligible for this credit if you or your business:

- is a registered distributor under Article 18 (Taxes on Alcoholic Beverages); **and**
- produced in New York State during the tax year a **maximum** of:
 - 60 million gallons of beer or cider;
 - 20 million gallons of wine; or
 - 800,000 gallons of liquor.

If you produce more than one type of alcoholic beverage in New York State in the tax year, you qualify for the credit for each alcoholic beverage produced within the production limits stated above. If you exceed the production limit for an alcoholic beverage, you cannot claim a credit for that beverage.

Example: *If you produce 50 million gallons of cider and 100 million gallons of beer in New York State in the same tax year you qualify to claim the credit for the cider production. You would not qualify to claim a credit for the beer production since you produced greater than 60 million gallons of beer in New York State in the tax year.*

Credit calculation

Calculate the credit as follows:

The amount of credit per tax year for **the first 500,000 gallons** produced in New York State is:

- 14 cents (.14) per gallon of beer or cider;
- 30 cents (.30) per gallon of wine;
- \$2.54 per gallon of liquor with more than 2%, but not more than 24%, alcohol by volume (ABV); **and**
- \$6.44 per gallon of liquor with more than 24% ABV.

If you produced **more than 500,000 gallons**, the credit is 4.5 cents (.045) per gallon up to:

- 15 million additional gallons for beer, cider, or wine; **and**
- 300,000 additional gallons for liquor.

In addition:

- You cannot claim a credit in the tax year for any:
 - beer, cider, or wine you produced in excess of 15.5 million gallons; **or**
 - liquor you produced in excess of 800,000 gallons.
- If you do not use the full amount of the credit against your tax liability this year, you may request a refund or apply the overpayment to next year's tax. However, the Tax Department will not pay interest on the refund or overpayment.

Line instructions

Complete a separate Form IT-636 for each registered distributor.

Line A: Mark an **X** in the appropriate box to determine the parts of this form you need to complete. If you are claiming this credit **both** as an entity that earned the credit **and** as a partner, shareholder, or beneficiary receiving a share of the credit, mark an **X** in the **Yes** box and complete all appropriate schedules on one Form IT-636.

If more than one of the following applies to you, complete all appropriate schedules of the form on one Form IT-636.

Individual (sole proprietor): Complete line A, Schedule A, Schedules B, C, D, or E, as applicable, and Schedules F and I.

A **married couple** in a business enterprise that made an IRC 761(f) election to file **two federal Schedule C forms** instead of a partnership return: If you file jointly, calculate your credit as if you were filing one federal Schedule C for the business. Complete line A, Schedule A, Schedules B, C, D, or E, as applicable, and Schedules F and I.

Fiduciary: Complete line A, Schedule A, Schedules B, C, D, or E, as applicable, and Schedules H and I.

Partner in a partnership, **shareholder** of a New York S corporation, **and beneficiary** of an estate or trust: Complete line A, Schedules G and I.

Partnership: Complete line A, Schedule A, and Schedules B, C, D, or E as applicable.

Additional forms: If you have more entries than will fit on the lines provided in Schedules B, C, D, E, G and H on Form IT-636, submit additional Forms IT-636, completing only the necessary schedules. Include your name and taxpayer identification number on each additional form. On the indicated lines of the first Form IT-636, include the totals from all additional Forms IT-636. Place the extra forms behind the first Form IT-636 and submit them with your return.

Schedules B through E: Individual (including sole proprietor), partnership, and fiduciary

Complete the applicable Schedules (B, C, D, or E) for the type of alcoholic beverage you produced in New York State in this tax year.

Schedule B: Credit for beer produced in New York State in this tax year

Parts 1 and 2

Column A: Enter the street number and name, and the city in New York State where you produced the beer. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where you produced the beer. If needed, see *Additional forms*.

Column B: How you enter the total gallons depends on whether you file on an annual (calendar-year) or monthly basis.

Annual filers: Enter the amount you produced from Form MT-456, line 3, column D, or your *Alcoholic Beverages Tax Web File* return, for the tax year for which you file your income tax return.

If you file your income tax return on a fiscal-year basis, do **not** enter the amount from Form MT-456 or your *Alcoholic Beverages Tax Web File* return. Instead, calculate your gallons produced in New York State during the tax year for which you file your income tax return and enter that amount.

Monthly filers: Enter the sum of the amounts you produced, entered on all Forms MT-456, line 3, column D, or your *Alcoholic Beverages Tax Web File* return, for the tax year for which you file your income tax return.

Line 3: Claim the credit for any beer produced in New York State in excess of 500,000 gallons in Part 2. If you did not produce any gallons in New York State in excess of 500,000, leave Part 2 blank and enter the amount from line 3 on line 8.

Line 6: You cannot claim a credit for any beer produced in excess of 15,500,000 gallons (500,000 gallons in Part 1 plus 15,000,000 gallons in Part 2).

Schedule C: Credit for cider produced in New York State in this tax year

Parts 1 and 2

Column A: Enter the street number and name, and the city in New York State where you produced the cider. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where you produced the cider. If needed, see *Additional forms*.

Column B: Enter the amount you produced from Form MT-456, line 3, column E, or your *Alcoholic Beverages Tax Web File* return, for the tax year for which you file your income tax return.

Fiscal-year filers: Do **not** enter the amount from Form MT-456 or your *Alcoholic Beverages Tax Web File* return, if you file your income tax return on a fiscal-year basis. Instead, calculate your gallons produced in New York State during the tax year for which you file your income tax return, and enter that amount.

Line 11: Claim the credit for any cider produced in New York State in excess of 500,000 gallons in Part 2. If you did not produce any gallons in New York State in excess of 500,000, leave Part 2 blank and enter the amount from line 11 on line 16.

Line 14: You cannot claim a credit for any cider produced in excess of 15,500,000 gallons (500,000 gallons in Part 1 plus 15,000,000 gallons in Part 2).

Schedule D: Credit for wine produced in New York State in this tax year

Parts 1 and 2

Column A: Enter the street number and name, and the city in New York State where you produced the wine. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where you produced the wine. If needed, see *Additional forms*.

Column B: How you enter the total gallons depends on whether you file on an annual (calendar-year) or monthly basis.

Annual filers: Enter the amount you produced from Form MT-456, line 3, column C, or your *Alcoholic Beverages Tax Web File* return.

If you file your income tax return on a fiscal-year basis, do **not** enter the amount you produced from Form MT-456 or your *Alcoholic Beverages Tax Web File* return. Instead, calculate your gallons produced in New York State during the tax year for which you file your income tax return, and enter that amount in column B.

Monthly filers: Enter the sum of the amounts you produced, entered on all Forms MT-456, line 3, column C, or your *Alcoholic Beverages Tax Web File* returns, for the tax year for which you file your income tax return.

Line 19: Claim the credit for any wine produced in New York State in excess of 500,000 gallons in Part 2. If you did not produce any gallons in New York State in excess of 500,000, leave Part 2 blank and enter the amount from line 19 on line 24.

Line 22: You cannot claim the credit for any wine produced in excess of 15,500,000 gallons (500,000 gallons in Part 1 plus 15,000,000 gallons in Part 2).

Schedule E: Credit for liquor produced in New York State in this tax year

Parts 1 and 2

Column A: Enter the street number and name, and the city in New York State where you produced the liquor. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where you produced the liquor. If needed, see *Additional forms*.

Columns B and C: How you enter the total liters depends on whether you file on an annual (calendar-year) or monthly basis.

Annual filers: Enter the amount you produced from Form MT-456, line 3, columns A and B, respectively, or your *Alcoholic Beverages Tax Web File* return.

If you file your income tax return on a fiscal-year basis, do **not** enter the amount you produced from Form MT-456 or your *Alcoholic Beverages Tax Web File* return. Instead, calculate the liters produced in New York State during the tax year for which you file your income tax return.

Monthly filers: Enter the sum of the amounts you produced, entered on all Forms MT-456, line 3, columns A and B, respectively, or your *Alcoholic Beverages Tax Web File* return for the tax year for which you file your income tax return.

Liquor worksheet

	A	B
	More than 2% but not more than 24% ABV	More than 24% ABV
1 Liters of liquor produced in NYS from Schedule E, line 25, columns B and C		
2 Conversion factor	.2642	.2642
3 Gallons of liquor produced in NYS (multiply line 1 by line 2)		
4 Limitation	500,000	500,000
5 Enter the lesser of line 3 or line 4		
6 Subtract line 5 from line 3		

Instructions for Liquor worksheet

Line 3: If the total of columns A and B on line 3 is more than 800,000, **stop**; you are not eligible for this credit.

Line 5: Enter the line 5, column A and B amounts from the *Liquor worksheet* on Form IT-636, Schedule E, line 26, columns B and C, respectively and complete the rest of Part 1.

Line 6: If the line 6 amount is greater than zero, continue with Part 2 and enter the line 6 amount on Form IT-636, Schedule E, line 29, columns B and C, respectively. Otherwise, enter the amount from Form IT-636, line 27a on line 32.

Schedule G: Partner's, shareholder's, or beneficiary's share of credit

Enter the requested information for each partnership, New York S corporation, or estate or trust from which you received a share of the credit. You may obtain this information from the partnership, New York S corporation, or estate or trust. If needed, see *Additional forms*.

Schedule H: Beneficiary's and fiduciary's share of credit

An estate or trust must complete this schedule. If you allocate or assign the credits to your beneficiaries, base the division on each beneficiary's share of the income of the estate or trust. Provide your beneficiaries with their share of the credit amount. If needed, see *Additional forms*.

Line 35: Include the amounts from lines 8, 16, 24, 32, columns B and C, and 34 in the corresponding columns.

Schedule I: Calculation of credit

Fiduciaries: Do not enter any amounts on lines 38 or 39. On line 40, enter the amount from Schedule H, line 37, column H.

Line 41

Individuals: Enter the amount from line 41 and code **636** on:

- Form IT-201-ATT, line 12; or
- Form IT-203-ATT, line 12.

Fiduciaries: Include the amount from line 41 and code **636**, on form IT-205, line 33.
