



Instructions for Form CT-636

Alcoholic Beverage Production Credit

CT-636-I

General information

The New York State Tax Law provides a credit to taxpayers who meet the eligibility requirements.

Eligibility

To be eligible for this credit, you must meet **all** of the following requirements:

- you are subject to tax under Article 9-A or 22,
- you are registered as a distributor under Article 18 (Taxes on Alcoholic Beverages), and
- you produce 60 million gallons or less of beer or cider, 20 million gallons or less of wine, or 800,000 gallons or less of liquor in New York State during the tax year.

A registered distributor that produces more than one type of alcoholic beverage in New York State in the same tax year qualifies for the credit for each alcoholic beverage produced within the production limits stated above. If the production limitation is exceeded for an alcoholic beverage, no credit is allowed for that beverage.

Example: A registered distributor that produced 50 million gallons of cider and 100 million gallons of beer in New York State in the same tax year qualifies to claim the credit for the cider production. The registered distributor would not qualify to claim a credit for the beer production since it produced greater than 60 million gallons of beer in New York State in the tax year.

Credit information

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.

In **excess of 500,000 gallons**, the credit is 4.5 cents (.045) per gallon up to 15 million additional gallons for beer, cider, or wine, and up to 300,000 additional gallons for liquor.

However, no credit is allowed for any beer, cider, or wine produced in excess of 15.5 million gallons, or liquor produced in excess of 800,000 gallons during the tax year.

The credit is **not** allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A.

The credit may not reduce the tax due below the fixed dollar minimum tax. Any unused amount of credit for the current tax year will be treated as a refund or overpayment of tax to be credited to next year's tax. Interest will not be paid on the refund or overpayment.

Line instructions

Complete a separate Form CT-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 a corporation that earned the credit **and** as a corporate partner receiving a share of the credit, mark an **X** in the Yes box and complete all appropriate schedules on one Form CT-636.

Schedules B through E – Computation of credit

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

New York S corporations

Transfer the amounts from lines 8, 16, 24, 32 (columns B and C) and 45 (columns C through G) to the applicable lines on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their pro rata share of credit. The shareholders will file their own Form IT-636 to claim the credit on their New York State personal income tax returns.

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 the beer is produced. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where the beer is produced.

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 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 corporation tax return.

If you file your corporation 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, compute your gallons produced in New York State during the tax year for which you file your corporation tax return, and enter that amount.

Monthly filers: Enter the sum of the amounts produced, entered on all Forms MT-456, line 3, column D, or your *Alcoholic Beverages Tax Web File* returns, for the tax year for which you file your corporation 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 there were no gallons produced in NYS in excess of 500,000, leave Part 2 blank and enter the amount from line 3 on line 8.

Line 6 – No credit is allowed 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 the cider is produced. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where the cider is produced.

Column B – Enter the amount 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 corporation tax return.

Fiscal-year filers: Do **not** enter the amount produced from Form MT-456 or your *Alcoholic Beverages Tax Web File* return if you file your corporation tax return on a fiscal-year basis. Instead, compute your gallons produced in New York State during the tax year for which you file your corporation 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 there were no gallons produced 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 – No credit is allowed 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 the wine is produced. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where the wine is produced.

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 produced from Form MT-456, line 3, column C, or your *Alcoholic Beverages Tax Web File* return.

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

Monthly filers: Enter the sum of the amounts 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 corporate 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 there were no gallons produced 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 – No credit is allowed 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 the liquor is produced. Do **not** enter a PO Box, or the mailing address of the company if it differs from the physical location where the liquor is produced.

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 produced from Form MT-456, line 3, columns A and B, respectively, or your *Alcoholic Beverages Tax Web File* return.

If you file your corporation 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, compute your liters produced in New York State during the tax year for which you file your corporation tax return.

Monthly filers: Enter the sum of the amounts 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 corporate 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 CT-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 CT-636, Schedule E, line 29, columns B and C, respectively. Otherwise, enter the amount from Form CT-636, line 27a, on line 32.

(continued)

Schedule G – Computation of tax credit used, refunded, or credited as an overpayment to the next year (New York S corporations do not complete this schedule.)

Lines 36 and 39 entries table

If you filed	Enter on line 36 any net recapture of other tax credits plus the amount from	Enter on line 39 the minimum tax below
Form CT-3	Part 2, line 2	Part 2, line 1c amount
Form CT-3-A	Part 2, line 2	Part 2, line 1c amount

Line 36 – Enter your tax due before credits using the *Lines 36 and 39 entries table* above.

Line 37 – If you are claiming more than one tax credit for this year, enter the total amount of credits claimed before applying this credit. Otherwise, enter **0**. You must apply certain credits before this credit. See the instructions for your franchise tax return or Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*, for the correct order of credits.

If you are included in a combined return, include any amount of tax credit(s) being claimed by other members of the combined group, including the alcoholic beverage production credit, that you want to apply before the credit claimed on this form.

Line 39 – Enter your minimum tax using the *Lines 36 and 39 entries table* above.

Lines 41, 43, and 44 – On line 41, enter the lesser of line 35 or line 40. Transfer the amounts from lines 41, 43, and 44 to your franchise tax return.

Schedule H – Partnership information

Complete this schedule only if you were a partner in a partnership and received a share of the alcoholic beverage production credit from that entity. Enter the name, employer identification number (EIN), and credit amount for each type of alcoholic beverage passed through to you from each partnership. If you need more space, attach a separate schedule. Include your name and identification number on any separate sheets you file with your return. Obtain this information from the partnership(s) allocating the credit to you.
