



Instructions for Form CT-636

Alcoholic Beverage Production Credit

CT-636-I

General information

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

- is subject to tax under Article 9-A (franchise tax on general business corporations);
- 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.

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.

In addition, you **cannot**:

- claim the 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.
- apply the credit against the metropolitan transportation business tax (MTA surcharge).
- reduce the tax due below the fixed dollar minimum tax.

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.

Additional forms: If you have more entries than will fit on the lines provided in Schedules B, C, D, E, or H on Form CT-636, submit additional forms CT-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 CT-636, include the totals from all additional Forms CT-636. Place the extra forms behind the first Form CT-636 and submit them with your return.

Schedules B through E: Calculation of credit

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.

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 share of credit. The shareholder will enter that amount on Form IT-636.

Combined filers: A taxpayer filing as a member of a combined group may claim the credit, which is calculated on a separate basis but applied against the combined tax.

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 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, calculate your gallons you 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 you 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 you produced in New York State in excess of 500,000 gallons in Part 2. If you did not produce any gallons in NYS 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 you 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 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, calculate 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 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 corporation 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 corporation 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 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 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 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, calculate 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 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 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.

Schedule G: Calculation of tax credit used, refunded, or credited as an overpayment to the next year

New York S corporations: Do not complete this schedule.

Line 36: Enter the amount from Form CT-3 or CT-3-A, Part 2, line 2, plus any net recaptured tax credits.

Line 37: If you are claiming more than one tax credit for this year, enter the total amount of credits you claimed before

applying this credit; otherwise, enter **0**. You must apply tax credits in a certain order.

Article 9-A filers: For the correct order of credits, see Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*.

Combined filers: Include the total amount of all tax credits **you and other members of the combined group** are claiming — including the alcoholic beverage production credit — that you want to apply before you apply this credit.

Line 39: Enter your fixed dollar minimum tax from Form CT-3 or the designated agent's fixed dollar minimum tax from Form CT-3-A.

Schedule H: Partnership information

If you were a partner in a partnership and received a share of the alcoholic beverage production credit from that entity, complete this schedule. Enter the name, employer identification number of the partnership, and credit amount for each type of alcoholic beverage passed through to you from each partnership. Obtain this information from any partnership allocating the credit to you. If needed, see *Additional forms*.
