



# Instructions for Form IT-636

## Beer Production Credit

**IT-636-I**

### Temporary deferral of certain tax credits

For tax years beginning on or after January 1, 2010, and before January 1, 2013, if the total amount of certain credits that you may use to reduce your tax or have refunded to you is greater than \$2 million, the excess over \$2 million must be deferred to, and used or refunded in, tax years beginning on or after January 1, 2013. For more information about the credit deferral, see Form IT-500, *Income Tax Credit Deferral*.

If you are subject to the credit deferral, you must complete all credit forms without regard to the deferral. However, the credit amount that is transferred to your tax return to be applied against your tax due or to be refunded to you may be reduced. Follow the instructions for Form IT-500 to determine the amounts to enter on your tax return.

### General information

The New York State Tax Law provides a credit to taxpayers who meet certain requirements and are subject to tax under Articles 9-A and 22. Individuals (including sole proprietors), estates and trusts, shareholders of an S corporation, partners in a partnership (including a member of a limited liability company (LLC) that is treated as a partnership for federal income tax purposes), and beneficiaries of an estate or trust may claim the credit on Form IT-636.

### 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)
- you produce 60 million gallons or less of beer in New York State during the tax year

### Credit information

The amount of credit per tax year for each gallon of beer produced in New York State on or after April 1, 2012, is:

- 14 cents (.14) per gallon for the first 500,000 gallons of beer produced, plus
- 4.5 cents (.045) per gallon for each gallon of beer produced in excess of 500,000 gallons.

However, no credit is allowed for any beer produced in excess of 15,500,000 gallons during the tax year.

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.

### Who must file

File Form IT-636 if you are an individual, a beneficiary or fiduciary of an estate or trust, a partner in a partnership, or a shareholder of an S corporation, and you are claiming the beer production credit.

An estate or trust that divides the credit among itself and its beneficiaries must submit Form IT-636 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A partnership must submit Form IT-636 with Form IT-204, *Partnership Return*, showing the total credit.

An S corporation does not file Form IT-636; it must file Form CT-636. If you are a shareholder of a New York S corporation, obtain your share of the S corporation's credit from the S corporation and follow the instructions on this form for claiming your credit on your personal income tax return.

### Line instructions

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

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Use the instructions below to determine which sections of this form you should complete. **If more than one set of instructions applies, follow all the instructions that apply to you.**

**Individuals:** Complete Schedules A, B, and F.

**Partnerships:** Complete Schedules A, B, and F.

**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, compute your credit as if you were filing one federal Schedule C for the business (enter the total of all applicable amounts from both federal Schedule C forms). Complete Schedules A, B, and F.

**Fiduciaries:** Complete Schedules A, B, E, and F.

**Partners in a partnership, shareholders of a New York S corporation, and beneficiaries of an estate or trust:** Complete Schedules C, D, and F.

### Schedule A – Eligibility

If you answered *No* to question A or B, **stop**. You do not qualify for the beer production credit for this tax year.

### Schedule B – Individual (including sole proprietor), partnership, and fiduciary

#### Part 1 – Credit for the first 500,000 gallons produced in New York State

**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** – Enter the total number of gallons of beer produced in New York State on or after April 1, 2012, for this tax year.

**Line 4** – Claim the credit for any gallons of beer 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, columns A and B, and lines 5 through 9 blank, and enter the line 4 amount on line 10.

#### Part 2 – Credit for gallons produced in New York State in excess of 500,000

**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** – Enter the total number of gallons of beer produced in New York State on or after April 1, 2012, for this tax year.

**Line 8** – 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 – Partnership, S corporation, estate, and trust information**

#### **Partners, S corporation shareholders, and beneficiaries:**

Enter the appropriate information for each partnership, New York S corporation, or estate or trust from which you received a share of the credit. If you need more space, submit a separate schedule (be sure to include your name and taxpayer identification number).

### **Schedule D – Partner’s, shareholder’s or beneficiary’s share of credit**

**Line 11 – Partner:** Obtain the amount to enter on line 11 from your partnership. If you are a partner in more than one partnership, enter on this line the total of all your shares of the credit you received from all partnerships.

**Line 12 – Shareholder:** Obtain the amount to enter on line 12 from your S corporation. If you are a shareholder of more than one S corporation, enter on this line the total of all your shares of the credit you received from all S corporations.

**Line 13 – Beneficiary:** Obtain the amount to enter on line 13 from the estate or trust. If you are a beneficiary of more than one estate or trust, enter on this line the total of all your shares of the credit you received from all estates and trusts.

### **Schedule E – Beneficiary’s and fiduciary’s share of credit**

An estate or trust must complete Schedule E. If an estate or trust allocates or assigns the credits to its beneficiaries, it must base the division on each beneficiary’s proportionate share of the income of the estate or trust. Provide any amounts allocated or assigned to the beneficiaries to claim on their own income tax returns.

### **Schedule F – Computation of credit**

**Fiduciaries:** Do not enter any amounts on lines 15 or 16. Enter the amount from Schedule E, column C, *Fiduciary* line, on line 17.

#### **Line 18**

**Partnerships:** Enter the line 18 amount and code **636** on Form IT-204, line 147.

**All others:** If your total credits from all sources are **\$2 million or less**, enter the line 18 amount and code **636** on Form IT-201-ATT, line 12, or on Form IT-203-ATT, line 12, or include it on Form IT-205, line 33.

If your total credits from all sources are **more than \$2 million**, you may be subject to the temporary credit deferral. Complete line 18, but do not enter the amount from line 18 on your tax return. See Form IT-500 to determine the proper amount to enter on your tax return.

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