Form **8906**

Department of the Treasury
Internal Revenue Service

Distilled Spirits Credit

▶ **Attach to your tax return.**

OMB No. 1545-1982

2008

Attachment
Sequence No. **150**

Name(s) shown on return

Identifying number

1	Total number of cases of distilled spirits (see instructions)	**1**		
2	Average tax-financing cost per case	**2**	*0.29717*	
3	Multiply line 1 by line 2	**3**		
4	Distilled spirits credit from partnerships and S corporations	**4**		
5	Add lines 3 and 4. Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1n	**5**		

Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 8906 to claim the distilled spirits credit. The credit is part of the general business credit.

Taxpayers that are not partnerships or S corporations, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this amount directly on line 1n of Form 3800.

How To Figure the Credit

Generally, the credit for the tax year is figured by multiplying the number of cases of bottled distilled spirits purchased or stored during the tax year by the average tax-financing cost per case for the most recent calendar year ending before the beginning of the tax year. See the instructions for line 1 below.

Line 1

If you are an eligible wholesaler, enter the number of cases of distilled spirits that were bottled in the United States and purchased by you during the tax year directly from the bottler of the spirits. An eligible wholesaler is any person who holds a permit under the Federal Alcohol Administration Act as a wholesaler of distilled spirits and is not a state or political subdivision thereof, or an agency of either.

If you are not an eligible wholesaler, but you are subject to section 5005, enter the number of cases of bottled distilled spirits which are stored in a warehouse operated by, or on behalf of, a state or any political subdivision thereof, or an agency of either, and for which title has not passed on an unconditional sale basis.

For purposes of this line, a case consists of twelve 80-proof 750-milliliter bottles. For any lot of distilled spirits that does not consist of cases of 80-proof 750-milliliter bottles, figure the number of cases in the lot as follows.

1. Divide the number of liters in the lot by 9.

2. Multiply the result by a fraction, the numerator of which is the stated proof of the lot and the denominator of which is 80.

3. The result is the number of cases in the lot.

Example. You purchased a lot of ninety 500-milliliter bottles of 150-proof rum. The number of liters in the lot is 45 (0.5 liters x 90). Divide 45 by 9 and the result is 5. Multiply 5 by 150/80 (1.875). The result is 9.375, which is the number of cases in the lot.

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