Form **8906**

Department of the Treasury
Internal Revenue Service

Distilled Spirits Credit

Attach to your tax return.
Go to *www.irs.gov/Form8906* for the latest information.

OMB No. 1545-1982

2025

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 (see instructions)	**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, Part III, line 1n	**5**	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8906 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/Form8906*.

Purpose of Form

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

Partnerships and S corporations must file this form to claim the credit. All other taxpayers are not required to complete or file this form if their only source for this credit is a partnership or S corporation. Instead, they can report this credit directly on line 1n in Part III of Form 3800, General Business Credit.

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.

Specific Instructions

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.

Line 4

Enter total distilled spirits credits from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code AL); and
- Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code AL).

Partnerships and S corporations report the above credits on line 4. All other filers figuring a separate credit on earlier lines also report the above credits on line 4. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line 1n.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual and business taxpayers filing this form is approved under OMB control number 1545-0074 and 1545-0123 and is included in the estimates shown in the instructions for their individual and business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping . . . . . 1 hr., 25 min.
Learning about the law or the form . . . . . 12 min.
Preparing and sending the form to the IRS . . . . 13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.