

$$C_1 V_1 = C_2 V_2$$

$$12\% \times 32 \text{ oz} = 9\% \times X \text{ oz}$$

$$X = \frac{12\% \times 32 \text{ oz}}{9\%} = 43 \text{ oz}$$

So, add water to dilute your 12% to 43 oz.
Or maybe, dilute 16 oz to 21 oz.