

**SCHEDULE OF PRESENT
FEDERAL EXCISE TAXES
(AS OF JANUARY 1, 1990)**

PREPARED BY THE STAFF
OF THE
JOINT COMMITTEE ON TAXATION



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CONTENTS

	Page
Introduction	1
I. Federal Excise Tax Rate Changes in 1989 Legislation	2
II. Schedule of Present Federal Excise Tax Rates	4
A. Alcohol Excise Taxes.....	4
1. Alcoholic beverage taxes.....	4
2. Alcohol occupational taxes.....	4
B. Tobacco Excise Taxes	5
1. Cigars.....	5
2. Cigarettes.....	5
3. Cigarette papers and tubes.....	5
4. Snuff, chewing tobacco, pipe tobacco.....	5
5. Tobacco occupational tax.....	5
C. Highway Trust Fund Excise Taxes.....	6
1. Motor fuels	6
2. Trucks and trailers	6
3. Tires for highway vehicles	7
4. Use tax on heavy highway vehicles.....	7
D. Airport and Airway Trust Fund Excise Taxes.....	7
1. Air passenger ticket tax.....	7
2. International departure tax.....	7
3. Domestic air cargo tax	7
4. Fuels taxes for noncommercial (general) aviation..	7
E. Environmental Excise Taxes	8
1. Taxes for Hazardous Substance Superfund	8
2. Taxes for Leaking Underground Storage Tank Trust Fund.....	9
3. Tax for Oil Spill Liability Trust Fund	9
4. Tax on ozone depleting chemicals.....	10
F. Communications (Telephone) Excise Tax	11

	Page
G. Gas Guzzler Excise Tax	11
H. Harbor Maintenance Trust Fund Excise Tax	11
I. Inland Waterways Trust Fund Excise Tax	12
J. Aquatic Resources Trust Fund Excise Taxes	12
1. Boating Safety Account taxes	12
2. Sport Fish Restoration Account taxes	12
K. Bows and Arrows and Firearms Excise Taxes	13
1. Bows and arrows	13
2. Regular firearms and ammunition	13
3. "Non-regular" firearms	13
L. Black Lung Disability Trust Fund Excise Taxes	14
1. Coal excise tax	14
2. Excise taxes on black lung benefit trusts	14
M. Vaccine Injury Compensation Trust Fund Excise Tax	14
N. Excise Tax on Private Foundation Net Investment Income	15
1. Domestic foundations	15
2. Foreign foundations	15
O. Miscellaneous Excise Taxes	15
1. Excise tax on foreign insurance policies	15
2. Wagering excise taxes	16
3. Excise tax on ship passengers international departures	16
4. Deep Seabed Revenue Sharing Trust Fund excise tax on certain hard minerals	16
5. "Penalty" excise taxes	17
a. Lobbying expenditures	17
b. Private foundation activities	17
c. Black lung benefit trusts	19
d. Political expenditures of sec. 501(c)(3) organizations	19
e. Qualified pension, etc., plans	20
f. Real estate investment trusts	22
g. Regulated investment trusts	22
h. Excise tax on issuer of registration-required obligation not in registered form	23
i. Excise tax on golden parachute excess payments	23
j. Excise tax on large group health plans	23
k. Excise tax on "greenmail"	23

III. Federal Excise Tax Receipts, Fiscal Years 1989-1991.....	24
Appendix.....	27
Table 1. Excise Tax Rates on Certain Chemicals for the Hazardous Substance Superfund	27
Table 2. List of Taxable Substances for Excise Tax on Certain Imported Substances.....	29

INTRODUCTION

This pamphlet,¹ prepared by the staff of the Joint Committee on Taxation, provides a listing of present Federal excise taxes and tax rates as of January 1, 1990.² The pamphlet also provides data on Federal excise tax receipts for fiscal years 1989-1991. This pamphlet is intended to provide summary information on current Federal excise taxes for Members of the House Committee on Ways and Means, Members of the Senate Committee on Finance, and other Members of Congress.

Part I lists the Federal excise tax rate changes included in 1989 legislation. The listing of the various current Federal excise taxes (Part II) is organized into 15 categories, including a category of "miscellaneous" excises. The listing includes information as to whether revenues from the particular excise taxes go into a Trust Fund (or other special fund), any scheduled expiration dates or changes in tax rates, and the pertinent sections of the Internal Revenue Code.³ Part III of the pamphlet presents data on Federal excise tax receipts for fiscal years 1989-1991. An Appendix contains tables showing: (1) the excise tax rates on feedstock chemicals (sec. 4661); and (2) the list of taxable substances subject to the excise tax on certain imported (chemical) substances (sec. 4671).

¹ This pamphlet may be cited as follows: Joint Committee on Taxation, *Schedule of Present Federal Excise Taxes (as of January 1, 1990)* (JCS-2-90) February 2, 1990.

² See also, prior Joint Committee staff pamphlet, *Schedule of Present Federal Excise Taxes (As of January 1, 1989)* (JCS-2-89), January 31, 1989.

³ Code sections in the 9500's refer to the Trust Fund Code provisions. The other Code sections listed refer to the applicable excise tax provisions.

I. FEDERAL EXCISE TAX RATE CHANGES IN 1989 LEGISLATION

The following Federal excise tax rate changes were included in 1989 legislation.¹

Item	Excise Tax Change
<i>Airport and Airway Trust Fund Taxes</i> ²	
1. Air passenger ticket tax (sec. 4261)	Tax retained at 8 percent, January 1, 1990–December 31, 1990.
2. International departure tax (sec. 4261(c))	Tax increased from \$3 to \$6 per person, January 1, 1990–December 31, 1990.
3. Domestic air cargo tax (sec. 4271)	Tax retained at 5 percent, January 1, 1990–December 31, 1990.
4. Fuels taxes for noncommercial aviation (secs. 4081, 4041(c), and 4091)	Tax retained at 12 cents per gallon for gasoline and 14 cents per gallon for non-gasoline fuels, January 1, 1990–December 31, 1990.

¹ This list does not include certain non-rate excise tax changes included in the Revenue Reconciliation Act of 1989 (P.L. 101-239, "1989 Act"), such as acceleration of deposit requirement for the airline ticket tax (sec. 7502 of the Act), acceleration of deposit requirements for the gasoline tax (sec. 7507 of the Act), and treatment of bulk cigar imports (sec. 7508 of the Act).

² In the 1989 Act (sec. 7501), the air passenger ticket tax, the air cargo tax, and the fuels taxes for noncommercial aviation were retained at current law rates, instead of being reduced by one-half under the scheduled tax reduction trigger as enacted in 1987 legislation (P.L. 100-223).

Also, the 1989 Act (sec. 7503) increased the international air departure tax to \$6 per person, effective on January 1, 1990.

Item

Excise Tax Change

Environment Excise Taxes

- | | |
|---|--|
| 1. Crude oil tax for Hazardous Substance Superfund (sec. 4611) | Tax rate changed to 9.7 cents per barrel for domestic crude oil and imported petroleum products, effective December 12, 1989. ³ |
| 2. Crude oil tax for Oil Spill Liability Trust Fund (sec. 4611(c)(2)(B) and sec. 4611(f)) | Tax rate increased from 1.3 cents to 5 cents per barrel, effective January 1, 1990. ⁴ |
| 3. Tax on ozone-depleting chemicals (sec. 4681) | New tax imposed at various rates, effective January 1, 1990. ⁵ (See Item II.E.4 for specific tax rate schedule.) |

Other

- | | |
|---|---|
| 1. Tax on ship passenger departures (sec. 4471) | New tax of \$3 per passenger on a covered voyage, effective January 1, 1990. ⁶ |
| 2. Disposition of section 133 securities by employer stock ownership plans (sec. 4978B) | Tax of 10 percent of the amount realized on certain dispositions of section 133 securities, effective generally after July 10, 1989. ⁷ |

³ The rate was changed in P.L. 101-221. (Previously, the rate was 8.2 cents per barrel on domestic crude oil and 11.7 cents per barrel on imported petroleum products.)

⁴ Section 7505 of the 1989 Act. The 1.3 cents per barral rate was not yet in effect because the authorizing legislation had not been enacted. The 1989 Act made the tax effective without the authorizing legislation requirement.

⁵ Section 7506 of the 1989 Act.

⁶ Section 7504 of the 1989 Act.

⁷ Section 7301(d) of the 1989 Act.

II. SCHEDULE OF PRESENT FEDERAL EXCISE TAX RATES

(AS OF JANUARY 1, 1990)

Tax (and Code section)	Tax rates
A. Alcohol Excise Taxes	
1. Alcoholic beverage taxes:	
Distilled spirits (sec. 5001).....	\$12.50 per proof gallon.
Wines (sec. 5041):	
Not more than 14 percent alcohol	17 cents per wine gallon.
14 to 21 percent alcohol	67 cents per wine gallon.
21 to 24 percent alcohol ⁸	\$2.25 per wine gallon.
Artificially carbonated wines.....	\$2.40 per wine gallon.
Champagne and other sparkling wines.....	\$3.40 per wine gallon.
Beer (sec. 5051)	\$9 per barrel (31 gallons) generally. ⁹
2. Alcohol occupational taxes: ¹⁰	
Producers:	
Distilled spirits and wines (sec. 5081)....	\$1,000 a year per premise. ¹¹
Brewers (sec. 5091)....	\$1,000 a year per premise. ¹¹
Wholesale dealers (sec. 5111):	
Liquors, wines, or beer	\$500 a year.
Retail dealers (sec. 5121):	
Liquors, wines, or beer	\$250 a year.
Nonbeverage use of distilled spirits (sec. 5131)	\$500 a year.
Industrial use of distilled spirits (sec. 5276)	\$250 a year.

⁸ Wines containing more than 24 percent alcohol are taxed as distilled spirits.

⁹ \$7 per barrel on the first 60,000 barrels removed each year by small domestic brewers who produce less than 2,000,000 barrels of beer during the calendar year.

¹⁰ July 1-June 30 is the taxable year for these and other occupational taxes.

¹¹ Tax is \$500 a year per premise for businesses with gross receipts of less than \$500,000 in the preceding taxable year.

Tax (and Code section)

Tax rates

B. Tobacco Excise Taxes**1. Cigars (sec. 5701(a)):**

Small cigars (weighing
no more than 3
pounds per thousand)... 75 cents per thousand.

Large cigars (weighing
more than 3 pounds
per thousand)..... 8½ percent of wholesale price
(but not more than \$20 per
thousand).

2. Cigarettes (sec. 5701(b)):

Small cigarettes (weigh-
ing no more than 3
pounds per thousand)... \$8 per thousand (i.e., 16 cents
per pack of 20 cigarettes).

Large cigarettes (weigh-
ing more than 3
pounds per thousand)... \$16.80 per thousand.¹²

3. Cigarette paper and tubes:

Cigarette paper (sec.
5701(c)) ½ cent for each 50 papers.¹³

Cigarette tubes (sec.
5701(d))..... 1 cent for each 50 papers.¹⁴

4. Snuff, chewing tobacco, pipe tobacco:

Snuff (sec. 5701(e)(1)) 24 cents per pound.

Chewing tobacco (sec.
5701(e)(2))..... 8 cents per pound.

Pipe tobacco (sec. 5701(f)).. 45 cents per pound.

5. Tobacco occupational tax:

Manufacturers or ex-
porters of taxable to-
bacco products (sec.
5731) \$1,000 a year per premise.¹⁵

¹² Large cigarettes measuring more than 6½ inches in length are taxed at the rate prescribed for small cigarettes, counting each 2¾ inches (or fraction) as one cigarette.

¹³ Cigarette papers measuring more than 6½ inches in length are taxed at the rate prescribed, counting each 2¾ inches (or fraction) as one cigarette paper. Tax does not apply to a book or set of cigarette papers containing 25 or fewer papers.

¹⁴ Cigarette tubes measuring more than 6½ inches in length are taxed at the rate prescribed, counting each 2¾ inches (or fraction) as one cigarette tube.

¹⁵ Tax is \$500 a year per premise for businesses with gross receipts of less than \$500,000 in the preceding taxable year.

Tax (and Code section)	Tax rates
C. Highway Trust Fund Excise Taxes (sec. 9503) ¹⁶	
1. Motor fuels:	
Gasoline (sec. 4081).....	9 cents/gallon.
Diesel fuel (secs. 4041(a)(1), 4091).....	15 cents/gallon generally. ¹⁷
Special motor fuels (incl. alcohol fuels from petroleum) (sec. 4041(a)(2)).....	9 cents/gallon.
Methanol and ethanol fuels: ¹⁸	
Fuels from other than petroleum or natural gas (sec. 4041(b)(2))	3 cents/gallon (i.e., a 6 cents/ gallon exemption). ¹⁹
Fuels from natural gas (sec. 4041(m)) ...	4.5 cents/gallon (i.e., a 4.5 cents/ gallon exemption).
Gasohol (sec. 4081(c))	3½ cents/gallon (i.e., a 5½ cents/gallon exemption for 10% or more alcohol-gasoline blend).
Diesohol (secs. 4041(k)(1), 4091(c))	9 cents/gallon (i.e., a 6 cents/ gallon exemption for 10% or more alcohol-diesel blend).
2. Trucks and trailers:	
Trucks (over 33,000 lbs.) and trailers (over 26,000 lbs.) (sec. 4051) ²⁰	12 percent of retail price.

*See also E.2., "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon on motor fuels (through 1991)

¹⁶ The Highway Trust Fund taxes and exemptions are scheduled to expire after September 30, 1993.

¹⁷ A net tax of 3 cents per gallon (12 cents/gal. refund or credit) applies to certain privately operated, scheduled intercity buses (sec. 6427(b)).

There is a one-time rebate (credit or refund) to the original purchaser of a qualified diesel-powered car, truck, or van having a gross vehicle weight rating of 10,000 pounds or less. The rebate varies with the model year (only available for post-1978 models) and type of vehicle (higher rebate for a truck or van than for a car). The credit applies to such vehicles owned as of January 1, 1985, or originally purchased after January 1, 1985 and before January 1, 1993 (sec. 6427(g)).

¹⁸ Alcohol fuels the content of which is at least 85 percent of methanol, ethanol, or other alcohol.

¹⁹ The additional 0.1 cent per gallon tax imposed under section 4041(d) for the Leaking Underground Storage Tank Trust Fund (see E.2, below) is 0.05 cent per gallon for such methanol and ethanol fuel (sec. 4041(b)(3)).

²⁰ Includes tractors of the kind chiefly used for highway transportation with a trailer or semitrailer.

Tax (and Code section)

Tax rates

3. Tires for highway vehicles

(sec. 4071)	40 pounds or less—no tax.
	40-70 pounds—15 cents/pound over 40 pounds.
	70-90 pounds—\$4.50, plus 30 cents/pound over 70 pounds.
	Over 90 pounds—\$10.50, plus 50 cents/pound over 90 pounds.

4. Use tax on heavy highway vehicles (sec. 4481) ²¹.....

	Under 55,000 pounds—no tax.
	55,000-75,000 pounds—\$100 plus \$22 per 1,000 pounds over 55,000.
	Over 75,000 pounds—\$550.

D. Airport and Airway Trust Fund Excise Taxes (sec. 9502) ²²**1. Air passenger ticket tax**

(sec. 4261)	8 percent of amount paid.
--------------------------	---------------------------

2. International departure tax (sec. 4261(c)).....

	\$6 per person (effective on Jan. 1, 1990).
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3. Domestic air cargo tax

(sec. 4271)	5 percent of amount paid.
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4. Fuels taxes for noncommercial (general) aviation:*.....

Gasoline (secs. 4081 and 4041(c)).....	12 cents per gallon.
Nongasoline (secs. 4041 (c) and 4091).....	14 cents per gallon.

*See also E.2., "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon on motor fuels (through 1991).

²¹ Annual tax: the taxable period is July 1-June 30. Tax liability is incurred as of the first month the vehicle is used during the taxable period. If the first use is after July, the tax is prorated for the taxable period. The tax may be paid in quarterly installments.

The use tax is reduced by 25 percent for vehicles (1) used exclusively in transporting harvested forest products to and from the forested site and which are required to be registered for that purpose, or (2) registered in Canada or Mexico.

There is an exemption for vehicles used fewer than 5,000 miles on public highways during the taxable period (7,500 miles for farm vehicles), and for certain local transit buses. Also, there is a prorated refund of tax for trucks destroyed or stolen during the taxable period.

²² The Airport and Airway Trust Fund taxes are scheduled to expire after December 31, 1990. The Airport and Airway Revenue Act of 1987 (Title IV of P.L. 100-223) provided that the aviation excise taxes (other than the departure tax) were to be reduced by one-half for 1990 if the total appropriations for fiscal years 1988 and 1989 for airport improvements, facilities and equipment, plus research, engineering and development are less than 85 percent of the total trust fund amounts authorized for these three programs for fiscal years 1988 and 1989.

The Revenue Reconciliation Act of 1989 (Title VII of P.L. 101-239), in effect, deferred the possible "tax reduction trigger" for one year (January 1, 1991), if total appropriations for fiscal years 1989 and 1990 for these programs are less than 85 percent of the trust fund amounts authorized for fiscal years 1989 and 1990.

Tax (and Code section)	Tax rates
E. Environmental Excise Taxes	
1. Excise taxes for Hazardous Substance Superfund (sec. 9507): ²³	
Crude oil tax (sec. 4611)...	9.7 cents per barrel for domestic crude oil and imported petroleum products. ²⁴
Tax on feedstock chemicals (sec. 4661).....	Tax ranges from \$0.22 to \$4.87 per ton generally. (See Table 1 in the Appendix for specific tax rates for chemicals.) ²⁵
Tax on certain imported substances (sec. 4671) ²⁶	Generally taxed at the rates applicable to taxable chemicals under sec. 4661 used as materials in the manufacture of the imported substance. If importer does not furnish adequate information to Treasury to determine tax rate, the rate is 5 percent of the value of such imported substance on which a tax is imposed under sec. 4611 or sec. 4661. (See Table 2 in the Appendix for initial list of taxable substances.)

²³ The Superfund also receives revenues from the environmental tax on corporations (sec. 59A), equal to 0.12 percent of the modified alternative minimum taxable income of the corporation in excess of \$2,000,000. This tax applies generally to taxable years beginning after December 31, 1986, and before January 1, 1992 (with an earlier termination as determined below when the Superfund reaches certain levels of unobligated balance or total tax receipts).

The Superfund excise taxes are scheduled to expire after December 31, 1991, or earlier if (1) the Superfund unobligated balance exceeds \$3,500 million at the end of 1989 or 1990, and if the unobligated balance is estimated to exceed this amount at the end of the following year if no Superfund taxes were to be imposed during such year, or (2) when total Superfund tax revenues exceed \$6,650 million (including the sec. 59A tax revenues).

²⁴ The rate was changed in P.L. 101-221, effective on December 12, 1989. (Previously, the rate was 8.2 cents per barrel on domestic crude oil and 11.7 cents per barrel on imported petroleum products.)

²⁵ For periods before 1992, the tax on xylene is \$10.13 per ton, instead of \$4.87.

²⁶ The excise tax on certain imported substances began on January 1, 1989, with the same expiration schedule as for the other Superfund taxes.

The Secretary of the Treasury is required to add any substance to the list if the Secretary determines that taxable chemicals constitute more than 50 percent of the weight or value of the materials used to produce such substance (determined on the basis of the predominant method of production); the Secretary may remove only those substances which meet neither test.

Tax (and Code section)

Tax rates

2. Taxes for Leaking Underground Storage Tank Trust Fund (sec. 9508): ²⁷

Gasoline (sec. 4081(b)(2)(B))..... 0.1 cent per gallon (including aviation use).

Other motor fuels (secs. 4041(d) and 4091)..... 0.1 cent per gallon (including fuels used in motor vehicles, motorboats, trains, or aviation, but excluding liquid petroleum gas).

Fuels used in inland waterways (sec. 4042)..... 0.1 cent per gallon.

3. Tax for Oil Spill Liability Trust Fund (sec. 9509):

Crude oil (sec. 4611(c) (2)(B) and sec. 4611(f))... 5 cents per barrel.²⁸

²⁷ These taxes are scheduled to expire after December 31, 1991, or earlier if the net revenues from these taxes to the Trust Fund reach \$500 million. *Note:* Treasury Department estimates indicate the \$500 million limit will be reached in August 1990. (See also C.1., for Highway Trust Fund taxes on motor fuels; D.4., for Airport and Airway Trust Fund taxes on noncommercial aviation fuel; I., for tax on fuels used on inland waterways; and J., for tax on motor boat fuels.)

²⁸ This tax is effective for the period, January 1, 1990–December 31, 1994. However, if the unobligated balance of the Oil Spill Liability Trust Fund exceeds \$1 billion at the end of a quarter, the tax rate will be zero (not apply) for the following quarter(s). If the unobligated balance of the Trust Fund subsequently is less than \$1 billion, the tax rate will be reimposed at 5 cents per barrel beginning the quarter commencing 90 days after the date of the close of the quarter for which the calculation was made.

Tax (and Code section)

4. Tax on ozone-depleting chemicals (sec. 4681):

	Year	Base tax rate (per pound)		
<i>In general</i>				
The tax is determined as the product of a base tax rate and the specific chemical's ²⁹ "ozone depleting factor."	1990	\$1.37		
	1991	\$1.37		
	1992	\$1.67		
	1993	\$2.65		
	1994 ³⁰	\$2.65		
	Chemical	Ozone depleting factor		
	CFC-11	1.0		
	CFC-12	1.0		
	CFC-113	0.8		
	CFC-114	1.0		
	CFC-115	0.6		
	Halon-1211	3.0		
	Halon-1301	10.0		
	Halon-2402	6.0		
	Chemical	Applicable percentage—		
<i>Reduced rate of tax</i>		1991	1992	1993
For certain chemicals, the tax for 1991-1993 is the product of the base tax rate times the ozone depleting factor times the "applicable percentage" (a zero rate applies for 1990). ³¹	Halon-1211....	6.0	5.0	3.3
	Halon-1301....	1.8	1.5	1.0
	Halon-2402....	3.0	2.5	1.6
	Chemicals used in rigid foam insulation.....	18.0	15.0	10.0

²⁹ Recycled ozone-depleting chemicals and certain exported chemicals are exempt from tax.

³⁰ For years after 1994, the base tax rate is increased by \$.45 per pound per year.

³¹ For 1994 and thereafter, the reduced rates no longer apply (i.e., the regular rates apply).

Tax (and Code section)

Tax rates

F. Communications (Telephone) Excise Tax

Local and toll (long-distance)

telephone and teletype-

writer services (sec. 4251).... 3 percent of amount paid
(through Dec. 31, 1990).**G. Gas Guzzler Excise Tax (sec. 4064)**

<i>Fuel economy rating (in miles per gallon):</i>	<i>Tax per vehicle</i>
At least 22.5	0
At least 21.5 but less than 22.5	\$500
At least 20.5 but less than 21.5	650
At least 19.5 but less than 20.5	850
At least 18.5 but less than 19.5	1,050
At least 17.5 but less than 18.5	1,300
At least 16.5 but less than 17.5	1,500
At least 15.5 but less than 16.5	1,850
At least 14.5 but less than 15.5	2,250
At least 13.5 but less than 14.5	2,700
At least 12.5 but less than 13.5	3,200
Less than 12.5	3,850

H. Harbor Maintenance Trust Fund Excise Tax (sec. 9505)

Tax on use of harbors (ports)

(sec. 4461) 0.04 percent of value of commercial cargo loaded or unloaded at U.S. ports; exceptions for cargo donated for overseas use and for cargo (other than cargo destined for a foreign country) shipped between U.S. mainland and Alaska (except for crude oil), Hawaii, and/or U.S. possessions, as well as cargo shipped between Alaska, Hawaii, and/or U.S. possessions.

Tax (and Code section)	Tax rates
I. Inland Waterways Trust Fund Excise Tax (sec. 9506)	
Tax on diesel and other liquid fuels used by commercial cargo vessels on specified inland or intra-coastal waterways (sec. 4042)*	
1990.....	11 cents per gallon.
1991.....	13 cents per gallon.
1992.....	15 cents per gallon.
1993.....	17 cents per gallon.
1994.....	19 cents per gallon.
1995 and thereafter.....	20 cents per gallon.
J. Aquatic Resources Trust Fund Excise Taxes (sec. 9504)	
1. Boating Safety Account taxes:	
Gasoline and special fuels used in motorboats (secs. 4081 and 4041(a)(2))*	
	9 cents per gallon (through Sept. 30, 1993); transfer to the Account limited to \$60 million per year for fiscal years 1989 and 1990 and \$70 million per year thereafter. ³²
2. Sport Fish Restoration Account taxes:	
Gasoline and special fuels used in motorboats (secs. 4081 and 4041(a)(2))*	
	9 cents per gallon (through Sept. 30, 1993); the balance of receipts in excess of the amounts indicated in J.1., above, and footnote 32 (sec. 9503(c)(4)(C)).
Sport fishing equipment (sec. 4161(a))	
	10 percent of manufacturer's price; except 3 percent for electric outboard motors and certain fish finders (tax on fish finders limited to \$30 per item).

*See also E.2., "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon on such fuel, through 1991.

³²Sec. 9503(c)(4)(A). Also, \$1 million per fiscal year of these motorboat fuel tax revenues goes to the Land and Water Conservation Fund (sec. 9503(c)(4)(B)).

Tax (and Code section)

Tax rates

K. Bows and Arrows and Firearms Excise Taxes**1. Bows and arrows (sec.**

4161(b))³³ 11 percent of manufacturer's price.³⁴

2. Regular firearms and ammunition (sec. 4181):^{33, 35}

Pistols and revolvers 10 percent of manufacturer's price.

Firearms other than pistols and revolvers 11 percent of manufacturer's price.

Ammunition (shells and cartridges) 11 percent of manufacturer's price.

3. "Non-regular" firearms:³⁶

Occupational taxes (sec. 5801):³⁷

Importers and manufacturers \$1,000 a year per premise.³⁸

Dealers \$500 a year per premise.

Transfer taxes (sec. 5811):

Generally \$200 per transfer.

Certain concealable weapons (see sec. 5845(e)) \$5 per transfer.

Making tax (sec. 5821) \$200 per firearm.

³³ Revenues from these taxes (secs. 4161(b) and 4181) are appropriated, in the fiscal year following receipt, to the Federal Aid to Wildlife Program for support of State wildlife programs.

³⁴ The tax is imposed on bows having a draw weight of 10 pounds or more. Under P.L. 98-369, the tax on arrows was expanded to apply also to arrows *fewer* than 18 inches in length (only arrows 18 inches or more in length were taxed previously) which are suitable for use with a taxable bow (e.g., crossbows).

³⁵ There are annual Federal licensing fees for manufacturers, importers and dealers in regular firearms under the Gun Control Act of 1968 (18 U.S.C. 923).

³⁶ Firearms not listed above in K.2., i.e., machine guns, "destructive devices" (e.g., explosive devices such as bombs, grenades, small rockets, mines, etc.), sawed-off shotguns or rifles, silencers, and certain concealable weapons.

³⁷ July 1-June 30 is the taxable year for the occupational taxes. There are also annual Federal licensing fees for manufacturers, importers and dealers in destructive devices or ammunition for destructive devices (18 U.S.C. 923).

³⁸ Tax is \$500 a year per premise for a business with gross receipts of less than \$500,000 for a preceding taxable year.

Tax (and Code section)	Tax rates
L. Black Lung Disability Trust Fund Excise Taxes (sec. 9501)	
1. Coal excise tax (sec. 4121)... \$1.10 per ton for coal from underground mines and 55 cents per ton for coal from surface mines (but no more than 4.4 percent of the coal's selling price). ³⁹	
2. Excise taxes on black lung benefit trusts (secs. 4951, 4952, and 4953)..... Varying rates on certain activities. (See " <i>Penalty</i> " excise taxes, O.5.c., below.)	

M. Vaccine Injury Compensation Trust Fund Excise Tax (sec. 9510)

Excise tax on certain vaccines (sec. 4131) ⁴¹	Vaccine ⁴⁰	Tax rate (per dose)
	DPT ⁴²	\$4.56
	DT ⁴³	0.06
	MMR ⁴⁴	4.44
	Polio.....	0.29

³⁹ Tax does not apply to lignite. On the earlier of January 1, 2014, or any January 1 after 1981 on which there is no balance of repayable advances to the Trust Fund and no unpaid interest on such advance, the tax rates are scheduled to return to the pre-1982 rates (i.e., 50 cents/ton for underground mines, and 25 cents/ton for surface mines, limited to 2 percent of the price).

⁴⁰ Combinations of vaccines are taxed at the sum of the combined rates for each taxable vaccine.

⁴¹ Tax is to be terminated after December 31, 1992, or earlier if tax collections exceed projected Trust Fund liability.

⁴² Diphtheria, Pertussis, and Tetanus (any vaccine containing pertussis bacteria, extracted or partial cell bacteria, or specific pertussis antigens).

⁴³ Diphtheria or Tetanus (other than a DPT vaccine).

⁴⁴ Measles, Mumps, or Rubella (vaccine against any one or combination of two or more of these).

Tax (and Code section)	Tax rates
N. Excise tax on Private Foundation Net Investment Income	
1. Domestic foundations (sec. 4940):	
General rule	2 percent of net investment income. ⁴⁵
Tax where charitable payout increases by equivalent amount.....	1 percent of net investment income.
2. Foreign foundations (sec. 4948).....	
	4 percent of gross investment income from sources within U.S.
O. Miscellaneous Excise Taxes	
1. Excise tax on foreign insurance policies (sec. 4371).....	
(a) <i>Casualty insurance and indemnity bonds.</i> —4 cents per dollar of premium paid.	
(b) <i>Life insurance, sickness and accident policies, and annuity contracts.</i> —1 cent per dollar premium paid.	
(c) <i>Reinsurance.</i> —1 cent per premium paid for reinsurance under (a) or (b).	

⁴⁵ Certain operating foundations having public involvement and not governed or run by disqualified persons are exempt from the 2-percent tax.

Tax (and Code section)

Tax rates

2. Wagering excise taxes:

Certain wagers (sec. 4401) ... 2 percent of amount of wager, except that tax is 0.25 percent in States where wagering is authorized by State law.

Occupational tax (sec. 4411) \$500 per year on person engaged or employed in business of accepting wagers (taxable period is July-June), except that tax is \$50 per year in States where wagering is authorized by State law.

3. Excise tax on ship passengers international departures (sec. 4471).....

\$3 per passenger on a covered voyage⁴⁶ (effective Jan. 1, 1990).

4. Deep Seabed Revenue Sharing Trust Fund excise tax on certain hard minerals (mineral nodules containing manganese, nickel, cobalt, or copper) (sec. 4495)

3.75 percent of 20 percent (or 0.75 percent) of fair market value of commercially recoverable minerals.⁴⁷

⁴⁶ A "covered voyage" includes (1) a commercial passenger vessel which extends over one or more nights, or (2) a commercial vessel transporting passengers engaged in gambling aboard the vessel beyond the territorial waters of the U.S. (i.e., more than 3 miles from shore) during which the passengers embark or disembark the vessel in the U.S. The tax does not apply to a voyage on any vessel owned or operated by the United States or a State or any agency or subdivision, nor does it apply to a voyage of less than 12 hours between two U.S. ports. A passenger vessel is any vessel having a berth or stateroom accommodations for more than 16 passengers.

⁴⁷ The tax is scheduled to expire on June 28, 1990—10 years after enactment (P.L. 96-283).

Tax (and Code section)

Tax rates

5. "Penalty" excise taxes:

a. Lobbying expenditures:

Public charities
making an elec-
tion under sec.
501(h) (sec. 4911)

Tax of 25 percent of excess lob-
bying expenditures.

Charitable organi-
zations disquali-
fied from tax-
exempt status be-
cause of lobbying
expenditures (sec.
4912).....

Tax of 5 percent of lobbying ex-
penditures on the organiza-
tion; 5-percent tax also on the
manager.

b. Private foundation activities:

Self-dealing (sec.
4941).....

Initial tax.—5 percent of the
amount of self-dealing on the
self-dealer; 2½ percent on
foundation manager (up to
\$10,000).

Additional tax.—If the self-deal-
ing is not corrected within the
correction period, there is a
tax of 200 percent of the
amount on the self-dealer;
also, a tax of 50 percent on a
foundation manager (up to
\$10,000).

Failure to distrib-
ute income (sec.
4942).....

Initial tax.—15-percent tax on
the foundation on the amount
remaining undistributed at
the beginning of the second (or
succeeding) taxable year.

Additional tax.—If not correct-
ed, there is an additional tax
of 100 percent of the amount
not distributed at the end of
the correction period.

5. "Penalty" excise taxes (Cont.)

Excess business
holdings (sec.
4943).....

Initial tax.—5-percent tax on the foundation on the value of the excess holdings.

Additional tax.—If not corrected, there is an additional tax of 200 percent of the excess holdings at the end of a specified period.

Investments which
jeopardize chari-
table purpose
(sec. 4944).....

Initial taxes.—5-percent tax on the foundation on the amount of such investment; also a 5-percent tax on the foundation manager (up to \$5,000).

Additional taxes.—25-percent tax on foundation if the investment is not removed from jeopardy within the correction period; also, a 5-percent tax is imposed on the foundation manager (up to \$10,000).

Taxable expendi-
tures (sec. 4945).....

Initial taxes.—10-percent tax on the foundation on the amount of the taxable expenditure; also, a 2½-percent tax on the foundation manager (up to \$5,000).

Additional taxes.—If not corrected, there is a tax of 100 percent on the foundation on the taxable expenditure; also, a tax of 50 percent on the foundation manager (up to \$10,000).

Tax (and Code section)

Tax rates

5. "Penalty" excise taxes (Cont.)

c. Black lung benefit trusts:

Self-dealing (sec. 4951).....

Initial taxes.—10-percent tax on the self-dealer on the amount of self-dealing; 2½-percent tax on trustee.

Additional taxes.—If not corrected, a tax of 100 percent is imposed on self-dealer; 50-percent tax on trustee.

Taxable expenditures (sec. 4952).....

Initial taxes.—10-percent tax on the trust on the amount of the taxable expenditure; 2½-percent tax on trustee.

Additional taxes.—If not corrected, a tax of 100 percent is imposed on the fund; 50-percent tax on trustee.

Excess contributions to benefit trust (sec. 4953).....

5-percent tax on the contributor on excess contributions to the trust.

d. Political expenditures of sec. 501(c)(3) organizations (sec. 4955).....

Initial taxes.—10-percent of political expenditure on the organization; 2½-percent tax on the manager.

Additional taxes.—If not corrected, a tax of 100 percent of the political expenditure is imposed on the organization; 50-percent tax on the manager.

Tax (and Code section)

Tax rates

5. "Penalty" excise taxes (Cont.)

e. *Qualified pension,
etc., plans:*

Failure to meet
minimum fund-
ing standards
(sec. 4971).....

Initial tax.—Tax of 10 percent (5 percent in the case of a multi-employer plan) of accumulated funding deficiency is imposed on employer.

Additional tax.—If not corrected, a tax of 100 percent of the deficiency is imposed on employer.

Nondeductible con-
tributions to
qualified employ-
er plan (sec. 4972)..

Tax of 10 percent on nondeductible contributions under the plan.

Excess contribu-
tions to IRAs, etc.
(sec. 4973).....

Tax of 6 percent of excess contributions to the plan is imposed on individual.

Certain accumula-
tions in IRAs, etc.
(sec. 4974).....

50-percent tax on payee of the amount by which the minimum required to be distributed during the year exceeds the amount actually distributed during the year.

Prohibited transac-
tion (sec. 4975).....

Initial tax.—Tax of 5 percent of the amount involved in the prohibited transaction is imposed on the disqualified person.

Additional tax.—If not corrected, a tax of 100 percent of the amount involved is imposed on the disqualified person.

Tax (and Code section)

Tax rates

5. "Penalty" excise taxes (Cont.)

Disqualified welfare benefits (sec. 4976).....	Tax of 100 percent of the disqualified benefit amount.
Excess fringe benefits provided by an employer (sec. 4977).....	Tax of 30 percent of the "excess fringe benefits."
Dispositions of section 1042 securities by employee stock ownership plans and worker-owned co-operatives (sec. 4978).....	Tax of 10 percent of the amount realized on disposition.
Dispositions of section 2057 securities by employee stock ownership plans and worker-owned co-operatives (sec. 4978A).....	Tax of 30 percent of the amount realized on disposition or the amount repaid on certain loans.
Dispositions of section 133 securities by employee stock ownership plans (sec. 4978B)...	Tax of 10 percent of the amount realized on the disposition.
Excess contributions under a cash or deferred arrangement (sec. 4979).....	Tax of 10 percent of the sum of excess contributions under a cash or deferred arrangement and any excess aggregate contributions under the plan for the plan year.

Tax (and Code section)

Tax rates

5. "Penalty" excise taxes (Cont.)

Prohibited allocations of qualified securities by employee stock ownership plans and worker-owned cooperatives (sec. 4979A).....

Tax of 50 percent of amount involved in a prohibited allocation.

Reversion of qualified plan assets to employer (sec. 4980).....

Tax of 15 percent of the amount of employer reversion from a qualified plan.

Excess distributions from qualified retirement plans (sec. 4980A).....

Tax of 15 percent of excess distributions with respect to an individual during calendar year.

Violations of health care continuation rules (sec. 4980B)...

Tax of \$100 per day, up to a specified maximum, per failure to comply with the health care continuation rules.

f. Real estate investment trusts (sec. 4981A).....

Tax of 4 percent of the excess of required distribution for calendar year over the distributed amount (i.e., on the undistributed income).

g. Regulated investment trusts (sec. 4982).....

Tax of 4 percent of the excess of required distribution for calendar year over the distributed amount (i.e., on the undistributed income).

Tax (and Code section)

Tax rates

5. "Penalty" excise taxes (Cont.)

- h. Excise tax on issuer of "registration-required obligation" not in registered form (sec. 4701) Tax of 1 percent of the principal amount of the "registration-required obligation" (defined in sec. 163(f) multiplied by the number of years (or portions) of the obligation.
- i. Excise tax on "golden parachute" excess payments (sec. 4999) Tax of 20 percent of the "excess payment" (defined in sec. 280G(b)).
- j. Excise tax on large group health plans (sec. 5000) Tax of 25 percent of expenses of a "nonconforming large group health plan" (defined under sec. 1862(b)(4)(A)(i) of the Social Security Act).
- k. Excise tax on "greenmail" (sec. 5881) Tax of 50 percent of the gain realized from "greenmail" (any consideration transferred by a corporation to acquire its stock if (1) such stock has been held by the shareholder for less than 2 years, (2) the shareholder (or any related person or person acting in concert) made or threatened a public tender offer for stock during that period, and (3) such acquisition is pursuant to an offer which was not made on the same terms to all shareholders).

III. FEDERAL EXCISE TAX RECEIPTS, FISCAL YEARS 1989-1991 ¹

[In millions of dollars]

Tax	1989 actual	1990 esti- mate	1991 esti- mate
A. Alcohol Taxes			
Distilled spirits.....	3,700	3,653	3,604
Wines.....	328	333	338
Beer.....	1,707	1,720	1,732
Alcohol occupational taxes.....	116	119	**122
Refunds (mostly distilled spirits).....	-190	-189	-188
Total alcohol taxes.....	5,661	5,636	5,669
B. Tobacco Taxes			
Cigars.....	40	40	40
Cigarettes.....	4,306	4,199	4,142
Cigarette papers, tubes.....	2	2	2
Smokeless tobacco (snuff, chewing tobacco).....	24	25	25
Pipe tobacco.....	6	8	8
Tobacco occupational tax.....	(*)	(*)	(*)
Other (imported products).....	8	8	8
Refunds.....	-8	-7	-7
Total tobacco taxes.....	4,378	4,275	4,218
C. Highway Trust Fund Taxes			
Gasoline.....	9,930	9,809	9,962
Diesel fuel used on highways.....	4,375	3,183	3,302
Trucks and trailers.....	1,240	1,250	1,313
Tires for highway vehicles.....	316	321	333
Highway vehicle use tax.....	608	617	636
Other (repealed taxes).....	3	4	4
Refunds (mostly fuels taxes).....	-845	-433	-458
Total Highway Trust Fund taxes.....	15,628	14,747	15,113
D. Airport and Airway Trust Fund Taxes ²			
Air passenger ticket tax.....	3,201	3,387	**3,643
International departure tax.....	106	224	292
Domestic air cargo tax.....	181	190	**199
Fuels taxes (general) aviation (net of refunds).....	177	98	**103
Total Airport/Airway Trust Fund taxes.....	3,664	3,900	4,237

Footnotes at end of table.

III. FEDERAL EXCISE TAX RECEIPTS, FISCAL YEARS 1989-1991 ¹—Continued

[In millions of dollars]

Tax	1989 actual	1990 esti- mate	1991 esti- mate
E. Environmental Excise Taxes			
Excise taxes for Hazardous Sub- stance Superfund	883	903	917
Fuels taxes for Leaking Under- ground Storage Tank Trust Fund.....	168	134	(⁴)
Tax for Oil Spill Liability Trust Fund ³		124	238
Tax on ozone-depleting chemicals ³		660	870
Refunds: Post-closure liability tax.....	-1	-12	
Total environmental excise taxes	1,050	1,809	2,025
F. Communications (Telephone) Tax.....	2,791	2,927	⁵ 1,066
G. Gas Guzzler Tax	110	90	90
H. Harbor Maintenance Trust Fund Tax ⁶ ..	166	180	**190
I. Inland Waterways Trust Fund Tax	47	50	58
J. Aquatic Resources Trust Fund Taxes			
Boating motor fuel tax	111	117	121
Sport fish equipment tax.....	76	86	89
Total Aquatic Trust Fund taxes.....	187	203	210
K. Bows and Arrows and Firearms Taxes			
Bows and arrows.....	15	13	14
Pistols and revolvers.....	38	40	41
Firearms (regular), shells, cartridges...	94	89	90
Other ("nonregular" firearms, occu- pational)	(*)	(*)	(*)
Total bows and arrows, fire- arms taxes.....	147	142	145
L. Black Lung Disability Trust Fund Taxes			
Coal excise tax	563	602	607
Taxes on black lung benefit trusts	(*)	(*)	(*)
Total Black Lung Trust Fund taxes	563	602	607
M. Vaccine Injury Compensation Trust Fund Tax.....	99	108	118

Footnotes at end of table.

III. FEDERAL EXCISE TAX RECEIPTS, FISCAL YEARS 1989-1991 ¹—Continued

[In millions of dollars]

Tax	1989 actual	1990 esti- mate	1991 esti- mate
<i>N. Tax on Private Foundation Net Invest- ment Income</i>	338	346	355
<i>O. Miscellaneous Excise Taxes</i>			
Foreign insurance policies	70	70	70
Wagering taxes (incl. occupational tax)	9	9	10
Tax on ship passengers international departures ³		5	9
Deep Seabed Revenue Sharing Trust Fund tax on hard minerals	(⁷)	(⁷)	(⁷)
"Penalty" excise taxes:			
Employee benefit and pension plans	255	304	**274
Total misc. excise taxes	334	388	363
<i>Addendum: Other Refunds and Unapplied Collections</i>	-325	281	61
Total Federal Excise Taxes	34,838	35,684	34,525
General Fund Excises	13,434	14,745	12,837
Trust Fund Excises	21,404	20,939	21,688

* Less than \$500,000.

** Amount for FY 1991 does not include the Administration's proposed tax changes.

¹ This revenue table generally follows the order for excise tax categories as in Part I of this pamphlet.² The FY 1991 amounts assume extension of present-law aviation tax rates, and do not include the Administration's proposed tax rate increases.³ Tax effective on January 1, 1990.⁴ This tax is scheduled to expire after reaching a total of \$500 million in net Trust Fund revenue. Treasury estimates indicate that the limit will be reached in August 1990.⁵ The telephone excise tax is scheduled to expire after December 31, 1990.⁶ The harbor maintenance excise tax is classified as a Customs trust fund receipt in the fiscal year 1991 budget.⁷ This tax is scheduled to expire on June 28, 1990 (10 years after enactment, P.L. 96-283). However, no tax receipts are collected under present law, as there has been no mining of the deep seabed hard minerals.SOURCE: *Budget of the United States Government Fiscal Year 1991*; Treasury Department.

APPENDIX

**Table 1.—Excise Tax Rates on Certain Chemicals for the
Hazardous Substance Superfund ¹**

Feedstock Chemical (Sec. 4661)	Tax per ton
Acetylene	\$4.87
Benzene	4.87
Butane	4.87
Butylene	4.87
Butadiene	4.87
Ethylene	4.87
Methane	3.44
Napthalene	4.87
Propylene	4.87
Toluene	4.87
Xylene ²	4.87
Ammonia	2.64
Antimony	4.45
Antimony trioxide	3.75
Arsenic	4.45
Arsenic trioxide	3.41
Barium sulfide	2.30
Bromine	4.45
Cadminum	4.45
Chlorine	2.70
Chromium	4.45
Chromite	1.52
Potassium dichromate	1.69
Sodium dichromate	1.87
Cobalt	4.45
Cupric sulfate	1.87
Cupric oxide	3.59
Cuprous oxide	3.97
Hydrochloric acid	0.29
Hydrogen fluoride	4.23
Lead oxide	4.14
Mercury	4.45
Nickel	4.45
Phosphorus	4.45
Stannous chloride	2.85
Stannic chloride	2.12
Zinc chloride	2.22
Zinc sulfate	1.90

Table 1.—Excise Tax Rates on Certain Chemicals for the Hazardous Substance Superfund ¹—Continued

Feedstock Chemical (Sec. 4661)	Tax per ton
Potassium hydroxide	0.22
Sodium hydroxide	0.28
Sulfuric acid	0.26
Nitric acid	0.24

¹ The tax on feedstock chemicals is scheduled to expire December 31, 1991, or earlier if (1) the Superfund unobligated balance exceeds \$3,500 million at the end of 1989 or 1990, *and* if the unobligated balance is estimated to exceed this amount at the end of the following year if no Superfund taxes were to be imposed during such year, or (2) when total Superfund tax revenues exceed \$6,650 million (including the sec. 59A tax revenues).

² For periods before 1992, the tax rate for xylene is \$10.13.

Table 2.—List of Taxable Substances Under the Excise Tax on Certain Imported Substances (Secs. 4671-4672)

Taxable Substance ¹	Taxable Substance ¹
Cumene	Ethylbenzene
Styrene	Methylene chloride
Ammonium nitrate	Polypropylene
Nickel oxide	Propylene glycol
Isopropyl alcohol	Formaldehyde
Ethylene glycol	Acetone
Vinyl chloride	Acrylonitrile
Polyethylene resins, total	Methanol
Polybutadiene	Propylene oxide
Styrene-butadiene, latex	Polypropylene resins
Styrene-butadiene, snpf	Ethylene oxide
Synthetic rubber, not containing fillers	Ethylene dichloride
Urea	Chylohexane
Ferronickel	Isophthalic acid
Ferrochromium nov 3 pct.	Maleic anhydride
Ferrochrome ov 3 pct. carbon	Phthalic anhydride
Unwrought nickel	Ethyl methyl ketone
Nickel waste and scrap	Chloroform
Wrought nickel rods and wire	Carbon tetrachloride
Nickel powders	Chromic acid
Phenolic resins	Hydrogen peroxide
Polyvinylchloride resins	Polystyrene homopolymer resins
Polystyrene resins and copolymers	Melamine
Ethyl alcohol for nonbeverage use	Acrylic and methacrylic acid resins
	Vinyl resins
	Vinyl resins, nsfp

¹ For applicable tax, see II. E. 1, and relevant chemical feedstock tax rates in Table 1. Imported taxable substances generally are taxed at the rate applicable to the chemical feedstocks that are components of the taxable imported substance.

The Secretary of the Treasury is required to add any substance to the list if the Secretary determines that taxable chemicals constitute more than 50 percent of the weight or value of the materials used to produce such substance (determined on the basis of the predominant method of production); the Secretary may remove only those substances which meet neither test.

