

**[JOINT COMMITTEE PRINT]**

**SCHEDULE OF PRESENT  
FEDERAL EXCISE TAXES  
(AS OF JANUARY 1, 1994)**

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**PREPARED BY THE STAFF  
OF THE  
JOINT COMMITTEE ON TAXATION**



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## INTRODUCTION

This pamphlet,<sup>1</sup> 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, 1994.<sup>2</sup> The pamphlet also provides data on Federal excise tax revenues for fiscal years 1993–1995. 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 of the pamphlet lists the Federal excise tax rate changes included in 1993 legislation, as well as other Federal excise tax rate changes effective for 1994 and 1995. The listing of the various current Federal excise taxes (Part II) is organized into 16 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.<sup>3</sup> Part III of the pamphlet presents data on Federal excise tax revenues for fiscal years 1993–1995. The Appendices contain tables showing the following: (A) combined Trust Fund and General Fund tax rates on motor fuels; (B) the excise tax rates on feedstock chemicals; and (C) the list of taxable substances subject to the excise tax on certain imported (chemical) substances.

<sup>1</sup>This pamphlet may be cited as follows: Joint Committee on Taxation, *Schedule of Present Federal Excise Taxes (as of January 1, 1994)* (JCS-5-94) June 28, 1994.

<sup>2</sup>See also, prior Joint Committee staff pamphlet, *Schedule of Present Federal Excise Taxes (As of January 1, 1993)* (JCS-5-93), April 15, 1993.

<sup>3</sup>Code sections in the 9500s refer to the Trust Fund Code provisions. The other Code sections listed refer to the applicable excise tax provisions of the Internal Revenue Code.

## I. FEDERAL EXCISE TAX CHANGES EFFECTIVE FOR 1993, 1994, AND 1995

### A. Excise Tax Rate Changes in 1993 Legislation

The following Federal excise tax rate changes were enacted in the Omnibus Budget Reconciliation Act of 1993 ("1993 Act") (P.L. 103-66, Chapter 1 of Title XIII):

Item	Excise Tax Change
<b>Motor fuels taxes</b>	
<b><i>Additional transportation motor fuels tax</i></b>	Permanent additional deficit reduction (General Fund) motor fuels tax of 4.3 cents per gallon on (1) all transportation fuels subject to the Leaking Underground Storage Tank Trust Fund excise tax (gasoline, diesel and special motor fuels, including motorboat, train, inland waterway, and aviation fuels), (2) liquefied petroleum gases, and (3) diesel fuel used in noncommercial motorboats. Also, a tax of 48.54 cents per mcf (thousand cubic feet) is imposed on compressed natural gas used in highway vehicles or motorboats.
	<i>Effective date.</i> —Tax was effective generally on October 1, 1993, except that diesel fuel used in noncommercial motorboats was subject to tax on January 1, 1994, and fuels used in commercial aviation are exempt until October 1, 1995.

Item	Excise Tax Change
<b>Extension of 2.5-cents-per-gallon motor fuels tax</b>	Extension of 2.5-cents-per-gallon tax on motor fuels (now going to the General Fund through September 30, 1995) from October 1, 1995 through September 30, 1999. During this extension period, revenues from the 2.5-cents-per-gallon rate on highway uses of gasoline, diesel and special motor fuels are to be transferred to the Highway Trust Fund (2.0 cents per gallon to the Highway Account and 0.5 cent per gallon to the Mass Transit Account). The tax rate on diesel fuel used in trains is reduced to 1.25 cents per gallon for the period (rather than the 2.5-cents-per-gallon rate that applies under present law through September 30, 1995). Revenues from these taxes on train diesel fuel and other nonhighway uses (including motorboats) are to be retained in the General Fund through the extension period.
<b>Diesel fuel use in non-commercial motorboats</b>	Diesel fuel used by noncommercial motorboats is subject to the prior aggregate tax of 20.1-cents-per-gallon applicable to highway diesel fuel, effective January 1, 1994-December 31, 1999. In addition, noncommercial motorboat diesel fuel is subject to the 4.3-cents-per-gallon General Fund deficit reduction tax on transportation fuels, for a total tax rate of 24.4 cents per gallon during this period. Revenues from these tax rates are retained in the General Fund.



Item	Excise Tax Change
<b>Luxury excise taxes</b>	
<i>Luxury excise tax on boats, aircraft, jewelry, and furs</i>	10-percent luxury excise tax was repealed, effective on January 1, 1993.
<i>Luxury excise tax on passenger vehicles</i>	<p>(1) 10-percent luxury excise tax on passenger vehicles is indexed for inflation in \$2,000 increments (e.g., to go from a threshold exemption of \$30,000 to \$32,000 initially), beginning January 1, 1994.<sup>4</sup></p> <p>(2) The tax does not apply to vehicles used as demonstrators for potential customers, effective January 1, 1993.</p> <p>(3) The tax does not apply to any part or accessory installed on a passenger vehicle related to a disabled person's use, effective on and after January 1, 1990.</p>
<b>Vaccine excise tax</b>	The pre-1993 excise tax on certain vaccines was reinstated and extended permanently, effective on the date of enactment of the 1993 Act (August 10, 1993). <i>Net</i> revenues from the vaccine excise tax go to the Vaccine Injury Compensation Trust Fund.

<sup>4</sup>Under the conference agreement on the 1993 Act, the conferees intended that the initial increase in the threshold exemption level be increased to \$32,000 for 1993 sales on or after the date of enactment (August 10, 1993). (See H. Rept. 103-213, August 4, 1993, p. 558.) The conferees intended that the adjustment calculated for a given calendar year apply for that calendar year. However, the statutory language in the 1993 Act reflected a subsequent calendar year change (which initially became effective on January 1, 1994). (A statutory correction to reflect the conferee's intention—on a prospective basis—is included in H.R. 3419 (sec. 1002(c)) as passed by the House on May 17, 1994 (H. Rept. 103-353) and in S. 1814 as reported by the Senate Committee on Finance (S. Rept. 103-244).)

## B. Other 1994 and 1995 Excise Tax Changes

Under pre-1993 legislation, other Federal excise tax rate changes are effective in 1994 and 1995:<sup>5</sup>

Item	Excise Tax Change
<b><i>Inland Waterways Trust Fund fuels tax rate</i></b>	<p>(1) Tax increased from 17 cents per gallon to 19 cents per gallon, effective January 1, 1994.</p> <p>(2) Tax to be increased from 19 cents per gallon to 20 cents per gallon, effective January 1, 1995 and thereafter.</p>
<b><i>Tax on ozone-depleting chemicals</i></b>	<p>(1) The base amount of the tax increased from \$3.35 per pound to \$4.35 per pound, effective January 1, 1994.</p> <p>(2) Effective January 1, 1994, the special 1993 tax rate of \$1.67 per pound for medical sterilants expired (i.e., now subject to the regular rates).</p> <p>(3) Effective January 1, 1994, the reduced rates for certain chemicals (Halon-1211, Halon-1301, Halon-2402, methyl chloroform, and chemicals used in rigid foam insulation) expired (i.e., now subject to the regular rates). (See also Part II.E.4.)</p> <p>(4) The base tax amount is to be increased from \$4.35 per pound to \$5.35 per pound, effective January 1, 1995. (After 1995, the base tax amount is to be increased by \$.45 per pound each year.)</p>

<sup>5</sup>On July 1, 1993, the excise tax on crude oil (5 cents per barrel) for the Oil Spill Liability Trust Fund was suspended by the Treasury Department/Internal Revenue Service because the balance in the Fund exceeded the statutory limit of \$1 billion. The tax was otherwise scheduled to expire after December 31, 1994. (Note: This tax is reinstated for the quarter beginning July 1, 1994; see Internal Revenue Service, *Internal Revenue Bulletin 1994-22*, May 31, 1994.)

## II. SCHEDULE OF PRESENT FEDERAL EXCISE TAX RATES

(AS OF JANUARY 1, 1994)

Tax (and Code section)	Tax rates
<b>A. Alcohol Excise Taxes</b>	
<b>1. Alcoholic beverage taxes:</b>	
Distilled spirits (sec. 5001) .....	\$13.50 per proof gallon.
Wines (sec. 5041): <sup>6</sup>	
Not more than 14 percent alcohol ...	\$1.07 per wine gallon.
14 to 21 percent alcohol .....	\$1.57 per wine gallon.
21 to 24 percent alcohol <sup>7</sup> .....	\$3.15 per wine gallon.
Artificially carbonated wines .....	\$3.30 per wine gallon.
Champagne and other sparkling wines .....	\$3.40 per wine gallon.
Beer (sec. 5051) .....	\$18 per barrel (31 gallons) generally. <sup>8</sup>

<sup>6</sup> Domestic wineries having aggregate annual production not exceeding 250,000 gallons are entitled to a tax credit equal to 90 cents per gallon (the amount of the wine gallon tax increase enacted in the 1990 Act) on the first 100,000 gallons of wine (other than champagne and other sparkling wines) removed in a calendar year. The credit is reduced by 1 percent for each 1,000 gallons produced in excess of 150,000 gallons.

<sup>7</sup> Wines containing more than 24 percent alcohol are taxed as distilled spirits.

<sup>8</sup> \$7 per barrel on the first 60,000 barrels removed each year by domestic brewers producing less than 2,000,000 barrels of beer during the calendar year.

**Tax (and Code section)****Tax rates****2. Alcohol occupational taxes:<sup>9</sup>****Producers:**

Distilled spirits and  
wines (sec. 5081) \$1,000 per year per premise.<sup>10</sup>  
Brewers (sec. 5091) \$1,000 per year per premise.<sup>10</sup>

**Wholesale dealers (sec. 5111):**

Liquors, wines, or  
beer ..... \$500 per year.

**Retail dealers (sec. 5121):**

Liquors, wines, or  
beer ..... \$250 per year.

**Nonbeverage use of dis-  
tilled spirits (sec. 5131) .....**

\$500 per year.

**Industrial use of dis-  
tilled spirits (sec. 5276) .....**

\$250 per year.

<sup>9</sup> July 1-June 30 is the taxable year for these occupational taxes.

<sup>10</sup> Tax is \$500 per 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>B. Tobacco Excise Taxes</b>	
<b>1. Cigars (sec. 5701(a)):</b>	
Small cigars (weighing no more than 3 pounds per thousand)	\$1.125 per thousand.
Large cigars (weighing more than 3 pounds per thousand) .....	12.75 percent of manufacturer's price (but not more than \$30 per thousand).
<b>2. Cigarettes (sec. 5701(b)):</b>	
Small cigarettes (weighing no more than 3 pounds per thousand)	\$12 per thousand (i.e., 24 cents per pack of 20 cigarettes).
Large cigarettes (weighing more than 3 pounds per thousand) <sup>11</sup> .....	\$25.20 per thousand.

<sup>11</sup> Large cigarettes (measuring more than 6½ inches in length) are taxed at the rate prescribed for small cigarettes, counting each 2¾ inches (or fraction thereof) as one cigarette.

Tax (and Code section)	Tax rates
<b>3. Cigarette papers and tubes:</b>	
Cigarette papers (sec. 5701(c)) <sup>12</sup> .....	0.75 cent per 50 papers.
Cigarette tubes (sec. 5701(d)) <sup>13</sup> .....	1.5 cents per 50 tubes.
<b>4. Snuff, chewing tobacco, pipe tobacco:</b>	
Snuff (sec. 5701(e)(1)) ...	36 cents per pound.
Chewing tobacco (sec. 5701(e)(2)) .....	12 cents per pound.
Pipe tobacco (sec. 5701(f)) .....	67.5 cents per pound.
<b>5. Tobacco occupational tax:</b>	
Manufacturers or exporters of taxable tobacco products (sec. 5731) .....	\$1,000 per year per premise. <sup>14</sup>

<sup>12</sup>Cigarette papers measuring more than 6½ inches in length are taxed at the rate prescribed, counting each 2¾ inches (or fraction thereof) as one cigarette paper. Tax does not apply to a book or set of cigarette papers containing 25 or fewer papers.

<sup>13</sup>Cigarette tubes measuring more than 6½ inches in length are taxed at the rate prescribed, counting each 2¾ inches (or fraction thereof) as one cigarette tube.

<sup>14</sup>Tax is \$500 per 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>C. Highway Trust Fund Excise Taxes (sec. 9503);<sup>15</sup> Non-highway Recreational Fuels Excise Taxes for National Recreational Trails Trust Fund (sec. 9503(c)(6)); General Fund Excise Taxes on Rail and Other Transportation Motor Fuels</b>	

*Note: The excise taxes on motor fuels are comprised of multiple tax rates, including specific Trust Fund rates and additional General Fund ("deficit reduction") rates. Parts C, D, E.2, I, and J show the specific motor fuel tax rates for the various Fund purposes. (Appendix A provides a listing of the combined Trust Fund and General Fund tax rates applicable to each motor fuel.)*

**1. Highway Trust Fund tax rates on highway motor fuels<sup>\*16</sup>**

Gasoline (sec. 4081) .....	11.5 cents per gallon through Sept. 30, 1995; 14 cents per gallon Oct. 1, 1995–Sept. 30, 1999. <sup>17</sup>
Diesel fuel (secs. 4041(a)(1), 4081) .....	17.5 cents per gallon through Sept. 30, 1995; 20 cents per gallon Oct. 1, 1995–Sept. 30, 1999. <sup>18</sup>

**\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).**

<sup>15</sup>The Highway Trust Fund excise taxes are scheduled to expire after September 30, 1999. Sec. 9503 refers to the Highway Trust Fund and related transfers.

<sup>16</sup>See also C.7, for additional permanent deficit reduction tax (General Fund) on motor fuels. See also C.5 for transfers of nonhighway recreational fuels tax revenues to the National Recreational Trails Trust Fund ("Trails Trust Fund") and J., for transfers of small-engine gasoline and motorboat fuels tax revenues to the Aquatic Resources Trust Fund. (See also Appendix A for combined Trust Fund and General Fund tax rates on motor fuels.)

<sup>17</sup>The Omnibus Budget Reconciliation Act of 1990 provided for transfer of revenues from 11.5 cents per gallon of the tax on gasoline used in small-engine outdoor power equipment from the Highway Trust Fund to the Sport Fishing Restoration Account of the Aquatic Resources Trust Fund for wetlands restoration purposes (through September 30, 1997). (See J.2, below.)

<sup>18</sup>A net Highway Trust Fund tax of 3 cents per gallon (17 cents per gallon refund or credit through September 30, 1999) applies to diesel fuel used by 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, 1999 (sec. 6427(g)).

Tax (and Code section)	Tax rates
<b>1. Highway Trust Fund taxes on highway motor fuels* <sup>16</sup> (cont):</b>	
Special motor fuels (incl. liquefied petroleum gas and alcohol fuels from petroleum) (sec. 4041(a)(2)) .....	11.5 cents per gallon through Sept. 30, 1995; 14 cents per gallon Oct. 1, 1995–Sept. 30, 1999.
Certain methanol and ethanol fuels: <sup>19</sup>	
“Qualified” methanol fuels from other than petroleum or natural gas (sec. 4041(b)(2)) .....	5.5 cents per gallon through Sept. 30, 1995; 8 cents per gallon Oct. 1, 1995–Sept. 30, 1999.
“Qualified” ethanol fuels from other than petroleum or natural gas (sec. 4041(b)(2)) ..	6.1 cents per gallon through Sept. 30, 1995; 8.6 cents per gallon Oct. 1, 1995–Sept. 30, 1999.
“Partially exempt” methanol and ethanol fuels from natural gas (sec. 4041(m)) .....	5.75 cents per gallon through Sept. 30, 1995; 7 cents per gallon Oct. 1, 1995–Sept. 30, 1999.

\* See also E.2, “Taxes for Leaking Underground Storage Tank Trust Fund,” for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

<sup>19</sup> Alcohol fuels the content of which is at least 85 percent of methanol, ethanol, or other alcohol.



Tax (and Code section)	Tax rates
<b>1. Highway Trust Fund taxes on highway motor fuels* 16 (cont):</b>	
"Gasohol" blends (sec. 4081(c)):	
From ethanol .....	<p>6.1 cents per gallon through Sept. 30, 1995; 8.6 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 10% alcohol-gasoline blend).</p> <p>7.34 cents per gallon through Sept. 30, 1995; 9.84 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 7.7% alcohol-gasoline blend).</p> <p>8.42 cents per gallon through Sept. 30, 1995; 10.92 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 5.7% alcohol-gasoline blend).</p>
From other than ethanol (methanol) .....	<p>5.5 cents per gallon through Sept. 30, 1995; 8.0 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 10% alcohol-gasoline blend).</p> <p>6.88 cents per gallon through Sept. 30, 1995; 9.38 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 7.7% alcohol-gasoline blend).</p> <p>8.08 cents per gallon through Sept. 30, 1995; 10.58 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 5.7% alcohol-gasoline blend).</p>

\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

Tax (and Code section)	Tax rates
<b>1. Highway Trust Fund taxes on highway motor fuels* <sup>16</sup> (cont):</b>	
“Dieselhol” (secs. 4041(k)(1), 4081(c)):	
From ethanol .....	12.1 cents per gallon through Sept. 30, 1995; 14.6 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 10% or more alcohol-diesel blend).
From other than ethanol (methanol) .....	11.5 cents per gallon through Sept. 30, 1995; 14.0 cents per gallon Oct. 1, 1995–Sept. 30, 1999 (for 10% or more alcohol-diesel blend).
<b>2. Highway Trust Fund tax on trucks and trailers:</b>	
Trucks (over 33,000 lbs.) and trailers (over 26,000 lbs.) (sec. 4051) <sup>20</sup> .....	12 percent of retail price.
<b>3. Highway Trust Fund tax on tires for highway vehicles (sec. 4071)</b>	
	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.

\*See also E.2, “Taxes for Leaking Underground Storage Tank Trust Fund,” for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

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

Tax (and Code section)	Tax rates
<b>4. Highway Trust Fund use tax on heavy highway vehicles (sec. 4481)</b> <sup>21</sup> .....	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.
<b>5. Nonhighway recreational fuels taxes for National Recreational Trails Trust Fund (sec. 9511):</b> <sup>22, 23</sup>	
Gasoline and special motor fuels (secs. 4081 and 4041(a)(2))*	Transfer from Highway Trust Fund of amounts equivalent to 11.5 cents per gallon through Sept. 30, 1997.
Diesel fuel (secs. 4041(a)(1), 4081)* .....	Transfer from Highway Trust Fund of amounts equivalent to 17.5 cents per gallon through Sept. 30, 1997.
<b>6. General Fund deficit reduction tax on rail diesel fuel* (sec. 4041(a)(1))</b> <sup>23</sup> .....	6.8 cents per gallon through Sept. 30, 1995; 5.55 cents per gallon, Oct. 1, 1995–Sept. 30, 1999; 4.3 cents per gallon on Oct. 1, 1999 and thereafter.

\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

<sup>21</sup> 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 (prorated).

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.

<sup>22</sup> Fuels used in (1) vehicles and equipment on recreational trails or back country terrain (including highway vehicles when used on recreational trails, trail access roads not eligible for Federal highway funding, or back country terrain) and (2) camp stoves and other nonengine uses in outdoor recreational equipment. Amounts transferred to the Trails Trust Fund are limited to \$30 million per year (through fiscal year 1997). These fuels do not include gasoline tax revenues from small-engine outdoor power equipment, which are transferred to the Aquatic Resources Trust Fund; see J.2., below. Sec. 9511 refers to the Trust Fund statute.

<sup>23</sup> See also Appendix A for combined Trust Fund and General Fund tax rates on motor fuels.

Tax (and Code section)	Tax rates
<b>7. General Fund deficit reduction tax on transportation motor fuels generally (other than rail):<sup>24</sup></b>	
Gasoline, highway diesel fuel, special motor fuels, motorboat gasoline and special motor fuels, and alcohol motor fuels) (secs. 4041, 4081, 4091)* ....	6.8 cents per gallon through Sept. 30, 1995; 4.3 cents per gallon on Oct. 1, 1996 and thereafter.
Noncommercial motorboat diesel fuel (secs. 4041(a)(1), 4041(d), and 9508(b)) .....	24.4 cents per gallon through Dec. 31, 1999 (i.e., combined 24.3 cents plus 0.1 cent goes to the General Fund); 4.3 cents per gallon on Jan. 1, 2000 and thereafter.
Compressed natural gas (sec. 4041(a)(3)) .....	48.54 cents per million cubic feet.
Noncommercial aviation fuel (sec. 4041(c))* .....	4.3 cents per gallon ( <i>plus</i> Airport and Airway Trust Fund tax of 15 cents per gallon on gasoline and 17.5 cents per gallon on nongasoline, <i>plus</i> 0.1-cent-per-gallon "LUST" tax).
Commercial aviation fuel (sec. 4091)* .....	4.3 cents per gallon, beginning Oct. 1, 1995.

\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

<sup>24</sup>Other than for compressed natural gas and motorboat diesel fuel, these rates are in addition to other motor fuels taxes. (See C.1 for Highway Trust Fund motor fuels, C.5 for nonhighway recreational motor fuels, C.6 for rail diesel fuel, D.4 for noncommercial aviation fuels, I for Inland Waterways Trust Fund fuel tax, and J for motorboat fuel taxes and the tax on gasoline used in small-engine outdoor power equipment. (See also Appendix A for combined Trust Fund and General Fund tax rates on motor fuels.)

Tax (and Code section)	Tax rates
Inland waterway fuel (sec. 4042)* .....	4.3 cents per gallon ( <i>plus</i> Inland Waterways Trust Fund tax of 19 cents per gallon in 1994 and 20 cents per gallon in 1995 and thereafter, <i>plus</i> 0.1-cent-per-gallon "LUST" tax).

\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

Tax (and Code section)	Tax rates
<b>D. Airport and Airway Trust Fund Excise Taxes</b> (sec. 9502) <sup>25</sup>	
1. <i>Air passenger ticket tax (sec. 4261)</i> .....	10 percent of amount paid.
2. <i>International departure tax (sec. 4261(c))</i> ...	\$6 per person.
3. <i>Domestic air cargo tax (sec. 4271)</i> .....	6.25 percent of amount paid.
4. <i>Fuels taxes for non-commercial aviation</i> .* <sup>26</sup>	
Gasoline (secs. 4081 and 4041(c)) <sup>27</sup> .....	15 cents per gallon ( <i>plus</i> General Fund tax of 4.3 cents per gallon, <i>plus</i> 0.1-cent-per-gallon "LUST" tax).
Nongasoline (jet) (secs. 4041(c) and 4091) .....	17.5 cents per gallon ( <i>plus</i> General Fund tax of 4.3 cents per gallon, <i>plus</i> 0.1-cent-per-gallon "LUST" tax).
Nongasoline in alcohol mixture made from ethanol (sec. 4091(c))	4.1 cents per gallon ( <i>plus</i> General Fund tax of 4.3 cents per gallon, <i>plus</i> 0.1-cent-per-gallon "LUST" tax).
Nongasoline in alcohol mixture not made from ethanol (sec. 4091(c)) .....	3.5 cents per gallon ( <i>plus</i> General Fund tax of 4.3 cents per gallon, <i>plus</i> 0.1-cent-per-gallon "LUST" tax).

\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on motor fuels (through 1995).

<sup>25</sup>The Airport and Airway Trust Fund taxes generally are scheduled to expire after December 31, 1995. (See footnote 27, below.) Sec. 9502 refers to the Trust Fund statute.

<sup>26</sup>See also C.7, for General Fund deficit reduction tax of 4.3 cents per gallon generally. (See also Appendix A for combined Trust Fund and General Fund tax rates on motor fuels.)

<sup>27</sup>The tax on noncommercial aviation gasoline will continue (at 14 cents per gallon) after December 31, 1995, and (absent extension of the transfer of the tax to the Airport and Airway Trust Fund) the tax revenues would then go to the Highway Trust Fund (through September 30, 1999).

Tax (and Code section)	Tax rates
<b>E. Environmental Excise Taxes</b>	
<b>1. Excise taxes for Hazardous Substance Superfund (sec. 9507):<sup>28</sup></b>	
Crude oil tax (sec. 4611(c)(2)(A)) .....	9.7 cents per barrel for domestic crude oil and imported petroleum products.
Tax on feedstock chemicals (sec. 4661) .....	Tax ranges from \$0.22 to \$4.87 per ton generally. (See Appendix B for specific tax rates for chemicals.)
Tax on certain imported substances (sec. 4671) <sup>29</sup> .....	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 Appendix C for list of taxable substances.)

<sup>28</sup>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, 1996 (with an earlier termination as determined below if the Superfund reaches certain levels of unobligated balance or total tax receipts).

The Superfund excise taxes are scheduled to expire after December 31, 1995, or earlier if (1) the Superfund unobligated balance exceeds \$3,500 million at the end of 1993 or 1994, 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 (including the sec. 59A tax revenues) exceed \$11,970 million.

<sup>29</sup>The excise tax on certain imported substances has 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 (sec. 4672). (See Appendix C for items initially listed in sec. 4672 and those additional items listed by the Secretary.)

Tax (and Code section)	Tax rates
<b>2. Taxes for Leaking Underground Storage Tank Trust Fund (sec. 9508):<sup>30</sup></b>	
Gasoline (sec. 4081(a)(2)(B)) .....	0.1 cent per gallon (including commercial and noncommercial aviation use).
Other motor fuels (secs. 4041(d), 4081(a)(2)(B), and 4091(b)(2)) .....	0.1 cent per gallon (including fuels used in motor vehicles, motorboats, trains, or aviation, but excluding liquid petroleum gas).
“Qualified” methanol and ethanol fuels (sec. 4041(b)(2)) <sup>31</sup> .....	0.05 cent per gallon.
Fuels used in inland waterways (sec. 4042)	0.1 cent per gallon.
<b>3. Tax for Oil Spill Liability Trust Fund (sec. 9509) (Suspended, July 1, 1993–June 30, 1994):</b>	
Crude oil (sec. 4611(c)(2)(B) and sec. 4611(f)) .....	5 cents per barrel. <sup>32</sup>

**Note: The Treasury Department/Internal Revenue Service suspended the oil spill tax on July 1, 1993 because the Oil Spill Fund balance exceeded the maximum \$1 billion balance on June 30, 1993. (The oil spill tax is reinstated for the quarter beginning on July 1, 1994; see footnote 5 reference to May 31, 1994 IRS notice.)**

<sup>30</sup> These taxes are scheduled to expire after December 31, 1995. (See also C.1 and 5 for highway and rail taxes on motor fuels; C.6, for tax on nonhighway recreational motor fuels; C.7, for additional deficit reduction on transportation motor fuels generally; D.4, for airport and airway taxes on noncommercial aviation fuel; I, for tax on fuels used on inland waterways; and J, for tax on noncommercial motorboat fuels and tax on gasoline used in small-engine outdoor power equipment.) Sec. 9508 refers to the Trust Fund statute (See also Appendix A for combined Trust Fund and General Fund tax rates on motor fuels.)

<sup>31</sup> Alcohol fuels the content of which is at least 85 percent methanol, ethanol, or other alcohol.

<sup>32</sup> This tax is generally scheduled to expire after December 31, 1994. However, if the unobligated balance of the Oil Spill Liability Trust Fund (“Oil Spill 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 Oil Spill Fund subsequently is less than \$1 billion at the end of a quarter, the tax 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. (As indicated above in item E.3., and in footnote 5, *supra*, this tax was suspended on July 1, 1993, and is reinstated for the quarter beginning on July 1, 1994.) Sec. 9509 refers to the Trust Fund statute.



Tax (and Code section)	Tax rates
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**4. Tax on ozone-depleting chemicals (sec. 4681):**

	Year	Base tax amount (per pound) <sup>33</sup>
The tax is determined as the product of a base tax amount and the specific chemical's <sup>34</sup> "ozone depleting factor." .....		
	1994 .....	\$4.35
	1995 <sup>35</sup> .....	\$5.35
	Chemical	Ozone depleting factor
	CFC-11 .....	1.0
	CFC-12 .....	1.0
	CFC-13 .....	1.0
	CFC-111 .....	1.0
	CFC-112 .....	1.0
	CFC-113 .....	0.8
	CFC-114 .....	1.0
	CFC-115 .....	0.6
	CFC-211 .....	1.0
	CFC-212 .....	1.0
	CFC-213 .....	1.0
	CFC-214 .....	1.0
	CFC-215 .....	1.0
	CFC-216 .....	1.0
	CFC-217 .....	1.0
	Halon-1211 ....	3.0
	Halon-1301 ....	10.0
	Halon-2402 ....	6.0
	Carbon tetra-chloride .....	1.1
	Methyl chloro-form .....	0.1

**F. Communications (Telephone) Excise Tax**

Local and toll (long-distance) telephone and teletypewriter services (sec. 4251) ..... 3 percent of amount paid.

<sup>33</sup> For chemicals used as propellants in metered-dose inhalers, the tax imposed is \$1.67 per pound.

<sup>34</sup> Ozone-depleting chemicals which are diverted or recovered in the United States as part of a recycling process (and not as part of the original manufacturing or production process) and certain exported chemicals are exempt from tax.

<sup>35</sup> For years after 1995, the base tax amount is increased by \$.45 per pound per year.

Tax (and Code section)	Tax rates
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**G. Gas Guzzler Excise Tax (sec. 4064)**

<i>Fuel economy rating (in miles per gallon):</i>	<i>Per vehicle</i>
At least 22.5 .....	0
At least 21.5 but less than 22.5 .....	\$1,000
At least 20.5 but less than 21.5 .....	1,300
At least 19.5 but less than 20.5 .....	1,700
At least 18.5 but less than 19.5 .....	2,100
At least 17.5 but less than 18.5 .....	2,600
At least 16.5 but less than 17.5 .....	3,000
At least 15.5 but less than 16.5 .....	3,700
At least 14.5 but less than 15.5 .....	4,500
At least 13.5 but less than 14.5 .....	5,400
At least 12.5 but less than 13.5 .....	6,400
Less than 12.5 .....	7,700

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

Tax on use of harbors (ports) (sec. 4461) .....	0.125 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.
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**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)* <sup>36</sup>	
1994 .....	19 cents per gallon (plus General Fund tax of 4.3 cents per gallon and 0.1-cent-per-gallon "LUST" tax).
1995 and thereafter .....	20 cents per gallon (plus General Fund tax of 4.3 cents per gallon and 0.1-cent-per-gallon "LUST" tax).

\* See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on such fuel, through 1995.

<sup>36</sup> See also C.7 for additional General Fund deficit reduction tax of 4.3 cents per gallon. (See also Appendix A for combined Trust Fund and General Fund tax rates.)

Tax (and Code section)	Tax rates
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## J. Aquatic Resources Trust Fund Excise Taxes (sec. 9504)

### 1. Boating Safety Account taxes:

Gasoline and special fuels used in noncommercial motorboats (secs. 4081 and 4041(a)(2))* .....	11.5 cents per gallon through Sept. 30, 1997; transfer of motorboat fuel tax receipts to the Account is limited to \$70 million per fiscal year, subject to a maximum \$70 million Account balance (sec. 9503(c)(4)(A)). <sup>37</sup>
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### 2. Sport Fish Restoration Account taxes:<sup>38</sup>

Gasoline and special fuels used in noncommercial motorboats (secs. 4081 and 4041(a)(2))* .....	11.5 cents per gallon through Sept. 30, 1997; any amounts from motorboat fuel tax receipts in excess of the amounts indicated in J.1., above, and footnote 37 (sec. 9503(c)(4)(C)).
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Gasoline used in small-engine outdoor power equipment (nonbusiness use) (secs. 4081 and 9503(c)(5))* .....	11.5 cents per gallon through Sept. 30, 1997. <sup>39</sup>
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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).
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\*See also E.2, "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon (0.05 cent per gallon for qualified methanol and ethanol fuels) on such fuel, through 1995.

<sup>37</sup>Also, \$1 million per fiscal year of motorboat fuel tax revenues goes to the Land and Water Conservation Fund (sec. 9503(c)(4)(B)). Receipts from the tax on commercial motorboat diesel fuel are retained in the General Fund. (See also C.7 for additional deficit reduction (General Fund) tax of 6.8 cents per gallon on highway and motorboat fuels.) (See also Appendix A for combined Trust Fund and General Fund tax rates on motor fuels.)

Footnotes 38-39 appear on the next page.

Tax (and Code section)	Tax rates
<b>K. Bows and Arrows and Firearms Excise Taxes</b>	
<b>1. Bows and arrows (sec. 4161(b)).<sup>40</sup></b> .....	11 percent of manufacturer's price. <sup>41</sup>
<b>2. Regular firearms and ammunition (sec. 4181).<sup>40, 42</sup></b>	
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.
<b>3. "Non-regular" firearms.<sup>43</sup></b>	
Occupational taxes (sec. 5801): <sup>44</sup>	
Importers and manufacturers ....	\$1,000 per year per premise. <sup>45</sup>
Dealers .....	\$500 per 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.

<sup>38</sup>In addition to the tax revenue sources listed, the Sport Fish Restoration Account receives revenues from import duties on fishing tackle and on yachts and pleasure craft.

<sup>39</sup>These revenues are to be used to carry out purposes of the Coastal Wetlands Planning, Protection and Restoration Act (as in effect on November 29, 1990) (sec. 9504(b)(2)(B)).

<sup>40</sup>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.

<sup>41</sup>The tax is imposed on bows having a draw weight of 10 pounds or more.

<sup>42</sup>The section 4181 taxes do not apply if tax is paid under section 5811. Annual Federal licensing fees also are imposed on manufacturers, importers and dealers in regular firearms under the Gun Control Act of 1968 (18 U.S.C. 923).

<sup>43</sup>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.

<sup>44</sup>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).

<sup>45</sup>Tax is \$500 per 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
<b>L. Luxury Excise Tax on Passenger Vehicles</b> (sec. 4001) <sup>46</sup> .....	10 percent of retail price in excess of \$32,000. <sup>47</sup>
<b>M. Black Lung Disability Trust Fund Excise Taxes</b> (sec. 9501)	
1. <i>Coal excise tax</i> (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). <sup>48</sup>
2. <i>Excise taxes on black lung benefit trusts</i> (secs. 4951, 4952, and 4953) .....	Varying rates on certain activities. (See "Penalty" excise taxes, P.4.c., below.)

<sup>46</sup>The tax generally applies only for the first retail sale of the item. Special rules apply in computing the tax on imported items, leases of items, and parts and accessories for passenger vehicles. In addition, passenger vehicles sold to the Federal Government or a State or local government for use exclusively in police, fire fighting, or similar activities, are generally exempt from tax.

<sup>47</sup>The tax base threshold amount is indexed for inflation in \$2,000 (rounded) increments from a 1993 threshold of \$30,000. (See also footnote 4, *supra*.)

<sup>48</sup>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).

Tax (and Code section)	Tax rates	
<b>N. Vaccine Injury Compensation Trust Fund Excise Tax</b> (sec. 9510) <sup>49</sup>		
	<i>Vaccine</i> <sup>50</sup>	<i>Tax (per dose)</i>
Excise tax on certain vaccines (sec. 4131) .....	DPT <sup>51</sup> .....	\$4.56
	DT <sup>52</sup> .....	0.06
	MMR <sup>53</sup> .....	4.44
	Polio .....	0.29

**O. Excise Tax on Private Foundation Net Investment Income**

**1. Domestic foundations (sec. 4940):**

- General rule ..... 2 percent of net investment income.<sup>54</sup>
- 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.

<sup>49</sup>Sec. 9510 refers to the Trust Fund statute.  
<sup>50</sup>Combinations of vaccines are taxed at the sum of the combined rates for each taxable vaccine.  
<sup>51</sup>Diphtheria, Pertussis, and Tetanus (any vaccine containing pertussis bacteria, extracted or partial cell bacteria, or specific pertussis antigens).  
<sup>52</sup>Diphtheria or Tetanus (other than a DPT vaccine).  
<sup>53</sup>Measles, Mumps, or Rubella (vaccine against any one or combination of two or more of these).  
<sup>54</sup>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

**P. Miscellaneous Excise Taxes****1. Excise tax on foreign insurance policies (sec. 4371) .....**

- (a) *Casualty insurance and indemnity bonds.*—4 cents per dollar of premium paid.
- (b) *Life insurance, sickness and accident policies, and annuity contracts.*—1 cent per dollar of premium paid.
- (c) *Reinsurance.*—1 cent per dollar of premium paid for reinsurance under (a) or (b).

**2. Wagering excise taxes:**

Certain wagers<sup>55</sup> (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 voyage.<sup>56</sup>

<sup>55</sup>The tax applies to any wager with respect to a sports event or a contest placed with a person engaged in the business of accepting such wagers, any wager placed in a wagering pool with respect to sports event or a contest (if such pool is conducted for profit), and certain lottery-type wagers (including numbers games and similar types of wagering). No tax is imposed on parimutuel wagering licensed under State law, coin-operated wagers, State-conducted lotteries, games where the wagers are placed and winners are determined and prizes are distributed all in the presence of all persons placing wagers in the game, and drawings by tax-exempt organizations where no part of the proceeds inures to the benefit of any private shareholder or individual.

<sup>56</sup>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.

## Tax (and Code section)

## Tax rates

## 4. "Penalty" excise taxes:

## a. Lobbying expenditures:

Public charities making an election under sec. 501(h) (sec. 4911)

Tax of 25 percent of excess lobbying expenditures.

Charitable organizations disqualified from tax-exempt status because of lobbying expenditures (sec. 4912) .....

Tax of 5 percent of lobbying expenditures on the organization; 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-dealing 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 distribute 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 corrected, there is an additional tax of 100 percent of the amount not distributed at the end of the correction period.



Tax (and Code section)	Tax rates
<b>4. "Penalty" excise taxes (cont):</b>	
Excess business holdings (sec. 4943) .....	<p><i>Initial tax.</i>—5-percent tax on the foundation on the value of the excess holdings.</p> <p><i>Additional tax.</i>—If not corrected, there is an additional tax of 200 percent of the excess holdings at the end of a specified period.</p>
Investments which jeopardize charitable purpose (sec. 4944) .....	<p><i>Initial taxes.</i>—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).</p> <p><i>Additional taxes.</i>—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).</p>
Taxable expenditures (sec. 4945) .	<p><i>Initial taxes.</i>—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).</p> <p><i>Additional taxes.</i>—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).</p>

Tax (and Code section)	Tax rates
<b>4. "Penalty" excise taxes (cont):</b>	
<b>c. Black lung benefit trusts:</b>	
Self-dealing (sec. 4951) .....	<i>Initial taxes.</i> —10-percent tax on the self-dealer on the amount of self-dealing; 2½-percent tax on trustee.
	<i>Additional taxes.</i> —If not corrected, a tax of 100 percent is imposed on self-dealer; 50-percent tax on trustee.
Taxable expenditures (sec. 4952) .	<i>Initial taxes.</i> —10-percent tax on the trust on the amount of the taxable expenditure; 2½-percent tax on trustee.
	<i>Additional taxes.</i> —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.
<b>d. Political expenditures of sec. 501(c)(3) organizations (sec. 4955) ..</b>	<i>Initial taxes.</i> —10-percent of political expenditure on the organization; 2½-percent tax on the manager.
	<i>Additional taxes.</i> —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
<b>4. "Penalty" excise taxes (cont):</b>	
<i>e. Qualified pension, etc., plans:</i>	
Failure to meet minimum funding standards (sec. 4971) .....	<i>Initial tax.</i> —Tax of 10 percent (5 percent in the case of a multi-employer plan) of accumulated funding deficiency is imposed on employer. <i>Additional tax.</i> —If not corrected, a tax of 100 percent of the deficiency is imposed on employer.
Nondeductible contributions to qualified employer plan (sec. 4972) .....	Tax of 10 percent on nondeductible contributions under the plan.
Excess contributions to IRAs, etc. (sec. 4973) .....	Tax of 6 percent of excess contributions to the plan is imposed on individual.
Certain accumulations 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 transaction (sec. 4975).	<i>Initial tax.</i> —Tax of 5 percent of the amount involved in the prohibited transaction is imposed on the disqualified person. <i>Additional tax.</i> —If not corrected, a tax of 100 percent of the amount involved is imposed on the disqualified person.

**Tax (and Code section)****Tax rates****4. "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 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.

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

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

Tax (and Code section)	Tax rates
<b>4. "Penalty" excise taxes (cont):</b>	
Reversion of qualified plan assets to employer (sec. 4980) .....	Tax of 20 percent of the amount of employer reversion from a qualified plan generally; 50 percent tax if employer does not maintain a qualified replacement plan or provide certain pro-rata benefit increases.
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.
<i>f. Real estate investment trusts (sec. 4981) .....</i>	Tax of 4 percent of the excess of required distribution for calendar year over the distributed amount (i.e., on the undistributed income).
<i>g. Regulated investment companies (sec. 4982).</i>	Tax of 4 percent of the excess of required distribution for calendar year over the distributed amount (i.e., on the undistributed income).
<i>h. Excise tax on issuer of "registration-required obligation" not in registered form (sec. 4701) .....</i>	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.

## Tax (and Code section)

## Tax rates

4. "Penalty" excise taxes  
(cont):

i. Excise tax on "golden parachute" excess payments (sec. 4999)..

Tax on the recipient 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 REVENUES, FISCAL YEARS 1993-1995<sup>1</sup>

[In millions of dollars]

Tax	1993 (prelim.)	1994 (est.)	1995 (est.)
<b>A. Alcohol Taxes</b>			
Distilled spirits .....	3,797	3,726	3,629
Wines .....	578	615	607
Beer .....	3,329	3,416	3,431
Alcohol occupational taxes .....	111	116	116
Refunds (mostly distilled spirits) ...	-244	-244	-244
<b>Total alcohol taxes .....</b>	<b>7,571</b>	<b>7,629</b>	<b>7,539</b>
<b>B. Tobacco Taxes</b>			
Cigars .....	30	30	30
Cigarettes .....	5,826	6,029	5,909
Cigarette papers, tubes .....	1	1	1
Smokeless tobacco (snuff, chewing tobacco) .....	23	23	23
Pipe tobacco .....	6	6	6
Tobacco occupational tax .....	(*)	(*)	(*)
<b>Total tobacco taxes .....</b>	<b>5,886</b>	<b>6,089</b>	<b>5,969</b>
<b>C. Highway Trust Fund Taxes; Nonhighway Recreational Fuels Taxes; Rail and Other General Fund Motor Fuel Taxes</b>			
<i>Highway Trust Fund taxes:</i>			
Gasoline .....	12,528	12,746	12,821
Diesel fuel used on highways .	3,705	4,058	4,151
Trucks and trailers .....	1,272	1,412	1,423
Tires for highway vehicles .....	313	333	342
Highway vehicle use tax .....	632	650	668
Refunds (mostly fuels taxes) ...	-417	-374	-426
<b>Total Highway Trust Fund taxes .....</b>	<b>18,033</b>	<b>18,825</b>	<b>18,979</b>

### III. FEDERAL EXCISE TAX REVENUES, FISCAL YEARS 1993-1995<sup>1</sup>—Continued

[In millions of dollars]

Tax	1993 (prelim.)	1994 (est.)	1995 (est.)
<i>National Recreational Trails Trust</i>			
<i>Fund Taxes:</i>			
Nonhighway recreational fuels tax revenue <sup>2</sup> .....	0	0	0
<i>General Fund motor fuels taxes:</i> <sup>3</sup>			
Gasoline .....	2,889	8,039	8,145
Highway diesel fuel .....	529	1,577	1,613
Rail diesel fuel .....	87	236	236
Noncommercial motorboat diesel fuel <sup>4</sup> .....		28	41
Inland waterways fuel <sup>5</sup> .....		16	22
Refunds .....	- 74	- 177	- 204
<b>Total General Fund motor fuels taxes</b> .....	<b>3,431</b>	<b>9,719</b>	<b>9,853</b>
<i>D. Airport and Airway Taxes</i>			
<i>Airport and Airway Trust Fund taxes:</i> <sup>6</sup>			
Air passenger ticket tax .....	2,778	4,745	5,050
International departure tax ....	223	235	251
Domestic air cargo tax .....	155	262	285
Noncommercial aviation fuels taxes (net of refunds) .....	106	169	163
<b>Total Airport/Airway Trust Fund taxes</b> .....	<b>3,262</b>	<b>5,411</b>	<b>5,749</b>
<i>General Fund aviation taxes:</i> <sup>6</sup>			
Air passenger ticket tax .....	1,694	0	0
Domestic air cargo tax .....	101	0	0
Noncommercial aviation fuels taxes (net of refunds) .....	7	45	46
<b>Total General Fund aviation taxes</b> .....	<b>1,802</b>	<b>45</b>	<b>46</b>
<i>E. Environmental Excise Taxes</i>			
Excise taxes for Hazardous Substance Superfund .....	818	830	844
Fuels taxes for Leaking Underground Storage Tank Trust Fund .....	155	160	162
Tax for Oil Spill Liability Trust Fund <sup>7</sup> .....	223	(7)	(7)



### III. FEDERAL EXCISE TAX REVENUES, FISCAL YEARS 1993-1995<sup>1</sup>—Continued

[In millions of dollars]

Tax	1993 (prelim.)	1994 (est.)	1995 (est.)
Tax on ozone-depleting chemicals .	851	865	675
<b>Total environmental excise taxes</b> .....	<b>2,047</b>	<b>1,854</b>	<b>1,680</b>
<b>F. Communications (Telephone) Tax</b> .....	<b>3,317</b>	<b>3,482</b>	<b>3,656</b>
<b>G. Gas Guzzler Tax</b> .....	<b>152</b>	<b>152</b>	<b>152</b>
<b>H. Harbor Maintenance Trust Fund Tax</b> <sup>8</sup> .....	<b>580</b>	<b>610</b>	<b>636</b>
<b>I. Inland Waterways Trust Fund Tax</b> .....	<b>82</b>	<b>96</b>	<b>104</b>
<b>J. Aquatic Resources Trust Fund Taxes</b>			
Boat motor fuel tax and tax on outboard motors <sup>9</sup> .....	121	126	130
Sport fishing equipment tax .....	83	86	88
Tax on gasoline used in small-engine outdoor power equipment <sup>10</sup> .....	50	50	50
<b>Total Aquatic Trust Fund taxes</b> .....	<b>254</b>	<b>262</b>	<b>268</b>
<b>K. Bows and Arrows and Firearms Taxes</b>			
Bows and arrows .....	23	25	27
Pistols and revolvers .....	54	58	61
Firearms (regular), shells, cartridges .....	117	124	128
Other ("nonregular" firearms, occupational) .....	1	1	1
<b>Total bows and arrows, firearms taxes</b> .....	<b>195</b>	<b>209</b>	<b>218</b>
<b>L. Luxury Excise Taxes</b> <sup>11</sup> .....	<b>362</b>	<b>326</b>	<b>366</b>

### III. FEDERAL EXCISE TAX REVENUES, FISCAL YEARS 1993-1995<sup>1</sup>—Continued

[In millions of dollars]

Tax	1993 (prelim.)	1994 (est.)	1995 (est.)
<b>M. Black Lung Disability Trust Fund Taxes</b>			
Coal excise tax .....	635	643	657
Taxes on black lung benefit trusts	(*)	(*)	(*)
<b>Total Black Lung Trust Fund Taxes</b> .....	<b>635</b>	<b>643</b>	<b>657</b>
<b>N. Vaccine Injury Compensation Trust Fund Tax<sup>12</sup> (net revenues for the Trust Fund)<sup>13</sup></b> .....			
	26	124	124
(General Fund revenues) <sup>13</sup> .....	7	31	31
<b>O. Tax on Private Foundation Net Investment Income</b> .....			
	220	233	246
<b>P. Miscellaneous Excise Taxes</b>			
Foreign insurance policies .....	118	118	118
Wagering taxes (incl. occupational tax) .....	17	19	21
Tax on ship passengers international departures .....	22	24	26
Employee benefit and pension plans .....	123	123	123
Other miscellaneous .....	16	16	16
<b>Total misc. excise taxes</b> .....	<b>296</b>	<b>300</b>	<b>304</b>
<b>Addendum: Other Refunds and Unapplied Collections</b> .....			
	479	- 14	8
<b>Total Federal Excise Taxes<sup>14</sup></b>	<b>48,637</b>	<b>56,027</b>	<b>56,586</b>
<b>General Fund Excises</b> .....	<b>24,569</b>	<b>29,066</b>	<b>29,063</b>
<b>Trust Fund Excises<sup>14</sup></b> .....	<b>24,068</b>	<b>26,961</b>	<b>27,523</b>

\*Less than \$500,000.

Note: Details may not add to totals due to rounding.

<sup>1</sup>This revenue table generally follows the order for excise tax categories as in Part II of this pamphlet.

**Footnotes for Part III (Cont.):**

<sup>2</sup>No amounts are shown for the transfers to the Trails Trust Fund because no amounts have yet been obligated under section 1302 of the Intermodal Surface Transportation Efficiency Act of 1991 (as of the January 1994 CBO baseline).

<sup>3</sup>General Fund portion of the respective motor fuels tax revenues as provided in the Omnibus Budget Reconciliation Act of 1990 ("1990 Act"), effective December 1, 1990 through September 30, 1995 (2.5 cents per gallon), and the permanent 4.3-cents-per-gallon deficit reduction tax rate added in the Omnibus Budget Reconciliation Act of 1993 ("1993 Act"), which was generally effective on October 1, 1993 (January 1, 1994 for the General Fund tax of 24.4 cents per gallon on non-commercial motorboat diesel fuel).

<sup>4</sup>Noncommercial motorboat diesel fuel was first subject to the General Fund fuels tax on January 1, 1994.

<sup>5</sup>General Fund portion of the tax on inland waterways fuel commenced on October 1, 1993. (See also I, for Inland Waterways Trust Fund tax revenues.)

<sup>6</sup>The conference agreement on the 1990 Act stated that the revenues from the increase in the air passenger ticket tax from 8% to 10% and the domestic air cargo tax from 5% to 6.25% would go into the General Fund, December 1, 1990-December 31, 1992. However, due to a technical statutory drafting omission, this was not accomplished until P.L. 102-581 was enacted on October 31, 1992. Thus, the budget document reports these revenues all as Trust Fund receipts for 1992. The General Fund amounts for fiscal year 1993 for the air passenger and air cargo taxes reflect this adjustment.

<sup>7</sup>The Oil Spill Fund tax was suspended by the Treasury Department/Internal Revenue Service on July 1, 1993, because the Oil Spill Fund exceeded the \$1 billion balance limit as of the quarter ending June 30, 1993 (after which the tax was to be suspended). (The oil spill tax is reinstated for the quarter beginning July 1, 1994; see Internal Revenue Service, *Internal Revenue Bulletin 1994-22*, May 31, 1994.)

The January 1994 CBO baseline projections did not include estimates for resumption of the tax.

<sup>8</sup>The harbor maintenance excise tax is classified as a Customs trust fund receipt in the President's budget.

<sup>9</sup>These amounts include the \$1 million per fiscal year allocated to the Land and Water Conservation Fund.

<sup>10</sup>Tax revenues transferred from the Highway Trust Fund to the Aquatic Resources Trust Fund (Sport Fish Restoration Account), to be available for wetlands environmental program.

<sup>11</sup>Luxury taxes on boats, aircraft, fur, and jewelry were repealed in the 1993 Act, effective as of January 1, 1993. In addition, the threshold of the luxury tax on motor vehicles was indexed for inflation in the 1993 Act, which was applicable on January 1, 1994.

<sup>12</sup>Under prior law, the excise tax on vaccines expired after December 31, 1992. The 1993 Act reinstated the vaccine excise tax, effective August 10, 1993.

<sup>13</sup>The Vaccine Injury Compensation Trust Fund receives the "net revenues" from the vaccine excise tax, which is the gross vaccine excise tax revenue less the decrease in chapter 1 (income) tax as a result of the income tax deduction attributable to the vaccine excise tax (sec. 9510(b)). The balance of the vaccine tax revenues go to the General Fund.

<sup>14</sup>Totals include the Harbor Maintenance Trust Fund excise tax revenues; see also footnote 8, above.

SOURCE: Congressional Budget Office, Tax Analysis Division (from the CBO January 1994 baseline projections).

## APPENDICES

### Appendix A.—Combined Trust Fund and General Fund Tax Rates on Motor Fuels: Through September 30, 1995<sup>1</sup>

[Cents per gallon]

Fuel	Trust Fund	General Fund	"LUST" <sup>2</sup>	Total
Gasoline (sec. 4081) .....	11.5	6.8	0.1	18.4
Gasohol from ethanol (sec. 4081(c)):				
10-percent gasohol .....	6.1	6.8	0.1	13.0
7.7-percent gasohol .....	7.34	6.8	0.1	14.24
5.7-percent gasohol .....	8.42	6.8	0.1	15.32
Gasohol from methanol (sec. 4081(c)):				
10-percent .....	5.5	6.8	0.1	12.4
7.7-percent .....	6.88	6.8	0.1	13.78
5.7-percent .....	8.08	6.8	0.1	14.98
Special motor fuels (sec. 4041(a)(2)) .....	11.5	6.8	0.1	18.4
Liquefied petroleum gas (sec. 4041(a)(2)) .....	11.5	6.8	0	18.3
Diesel (highway) (secs. 4041(a)(1), 4081) .....	17.5	6.8	0.1	24.4
Diesel fuel used in intercity buses (sec. 4041(a)(1)) .....	3.0	4.3	0.1	7.4
Diesel fuel used in noncommercial motorboats (secs. 4041(a)(1), 4041(d)) .....	0	24.4	40	24.4
Rail diesel fuel (sec. 4041(a)(1)) .....	0	6.8	0.1	6.9
Dieselhol (secs. 4041(k)(1), 4081(c)):				
10-percent dieselhol from ethanol .....	12.1	6.8	0.1	19.0
10-percent dieselhol from methanol .....	11.5	6.8	0.1	18.4
"Qualified" methanol fuels (sec. 4041(b)(2)) .....	5.5	6.8	0.05	12.35
"Qualified" ethanol fuels (sec. 4041(b)(2)) .....	6.1	6.8	0.05	12.95
Partially exempt methanol and ethanol fuels from natural gas (sec. 4041(m)) .....	5.75	5.55	0.1	11.4
CNG (compressed natural gas) (sec. 4041(a)(3)) .....	0	3 48.54	0	3 48.54
Aviation fuels:				
Noncommercial <sup>5</sup> (secs. 4041(c) and 4091):				
Gasoline .....	15.0	4.3	0.1	19.4
Jet fuel .....	17.5	4.3	0.1	21.9
Commercial (secs. 4091) .....	0	60	0.1	0.1
Inland waterways fuels (sec. 4042) .....	7 19.0	4.3	0.1	23.4

<sup>1</sup> For Highway Trust Fund motor fuels, the Highway Trust Fund rate for October 1, 1995–September 30, 1999 will be increased by 2.5 cents per gallon and the General Fund rate for highway motor fuels will be 4.3 cents per gallon. The General Fund tax on rail diesel fuel is scheduled to decline to 5.55 cents per gallon for October 1, 1995–September 30, 1999, and to be 4.3 cents per gallon on October 1, 1999 and thereafter. (The 4.3-cents-per-gallon rate on all motor fuels is permanent; see also footnote 6, below, regarding commercial aviation fuels and footnote 7, below, regarding inland waterway fuels.)

<sup>2</sup> Leaking Underground Storage Tank Trust Fund rate—currently applies through December 31, 1995.

<sup>3</sup> Cents per mcf (thousand cubic feet) at standard temperature and pressure.

<sup>4</sup> Although the 0.1-cent-per-gallon "LUST" tax is imposed (under section 4041(a)(1)) on diesel fuel used in noncommercial motorboats, the 0.1 cent is not transferred to the "LUST" Trust Fund (sec. 9508(b), flush sentence) (i.e., it is retained in the General Fund along with the 24.3-cents-per-gallon tax on motorboat diesel fuel imposed under section 4041(a)(1)).

<sup>5</sup> The Airport and Airway Trust Fund taxes generally are scheduled to expire after December 31, 1995, except that the tax on noncommercial aviation gasoline would continue (at 14 cents per gallon) after December 31, 1995, and the tax revenues would go to the Highway Trust Fund (absent extension of the Airport and Airway Trust Fund tax transfer).

<sup>6</sup> 4.3-cents-per-gallon tax beginning on October 1, 1995, for a total combined tax of 4.4 cents per gallon.

<sup>7</sup> Scheduled to increase by 1 cent per gallon beginning on January 1, 1995, for a total combined tax rate of 24.4 cents per gallon.

**Appendix B.—Excise Tax Rates on Certain Chemicals for the  
Hazardous Substance Superfund <sup>1</sup>**

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
Naphthalene .....	4.87
Propylene .....	4.87
Toluene .....	4.87
Xylene .....	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
Cadmium .....	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
Potassium hydroxide .....	0.22
Sodium hydroxide .....	0.28

**Appendix B.—Excise Tax Rates on Certain Chemicals for the  
Hazardous Substance Superfund<sup>1</sup>—Continued**

Feedstock Chemical (Sec. 4661)	Tax per ton
Sulfuric acid .....	0.26
Nitric acid .....	0.24

<sup>1</sup>The tax on feedstock chemicals is scheduled to expire after December 31, 1995, or earlier if (1) the Superfund unobligated balance exceeds \$3,500 million at the end of 1993 or 1994, 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 \$11,970 million (including the sec. 59A tax revenues).

**Appendix C.—List of Taxable Substances Subject to the Excise Tax on Certain Imported (Chemical) Substances (Secs. 4671–4672)**

Taxable Substance <sup>1</sup>	Taxable Substance <sup>1</sup>
<i>Initial Items Listed<sup>2</sup></i>	
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	Cyclohexane
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, NSPF

**Appendix C.—List of Taxable Substances Subject to the Excise Tax on Certain Imported (Chemical) Substances (Secs. 4671–4672)—Continued**

Taxable Substance <sup>1</sup>	Taxable Substance <sup>1</sup>
<i>Additional Items Listed<sup>3</sup></i>	
1,3-butylene glycol	Methyl chloroform
2-ethyl hexanol	Methyl isobutyl ketone
2-ethylhexyl acrylate	Normal butyl acetate
<b>Acetic acid</b>	Normal propyl acetate
<b>Adipic acid</b>	<b>Paraformaldehyde</b>
Alpha-methylstyrene	<b>Pentaerythritol</b>
Bisphenol-A	Perchloroethylene
<b>Butanol</b>	Polyalphaolefins
Butyl acrylate	<b>Polybutene</b>
Decabromodiphenyl oxide	Polyethylene terephthalate pellets
Ethyl acrylate	<b>Propanol</b>
Ethylene dibromide	<b>Terephthalic acid</b>
<b>Formic acid</b>	Tetrabromobisphenol-A
Isobutyl acetate	Trichloroethylene
Isopropyl acetate	<b>Trimethylolpropane</b>
Linear alpha olefins	Vinyl acetate
Methyl acrylate	

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

<sup>2</sup> See section 4672(a)(3).

<sup>3</sup> Items listed after enactment of the tax on imported chemical substances. 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. (Note: The bolded items are new for the January 1994 IRS Form 6627.)

Additional items to be included for the July 1994 IRS Form 6627 are as follows: (see *Federal Register*, May 27, 1994):

Allyl chloride  
Di-n-hexyl adipate  
Epichlorohydrin  
Ortho-dichlorobenzene

Ortho-nitrochlorobenzene  
Para-dichlorobenzene  
Para-nitrochlorobenzene  
Para-nitrophenol

Further note: The Secretary currently has other items under consideration that may also be added to the July 1994 IRS Form 6627.