

**SCHEDULE OF PRESENT
FEDERAL EXCISE TAXES
(AS OF JANUARY 1, 1984)**

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



DECEMBER 30, 1983

U.S. GOVERNMENT PRINTING OFFICE

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INTRODUCTION

This pamphlet, 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, 1984. This pamphlet is intended to provide summary information on current Federal excise taxes for Members of the House Committee on Ways and Means, the Senate Committee on Finance, and other Members of Congress.¹

The listing is organized into 14 categories, including a category of miscellaneous excises. The headings in the table indicate whether the particular excise taxes go into a Trust Fund (or other special fund). Also, the sections of the Code are noted. An Appendix has two tables showing excise tax rates on certain chemicals and the excise tax on gas guzzling automobiles.

A 1982 staff pamphlet provided detailed background information regarding Federal excise taxes, including a historical survey of major Federal excise tax changes, a detailed description of the then existing excise taxes and the applicable trust funds, and a legislative history of the specific taxes.²

¹ See also the 1983 staff summary pamphlet, "Summary of Present Excise Taxes" (JCS-1-83, February 10, 1983).

² "Background and Description of Present Federal Excise Taxes" (JCS-27-82, June 25, 1982).

SCHEDULE OF PRESENT FEDERAL EXCISE TAX RATES

(AS OF JANUARY 1, 1984)

Tax (and Code section)	Tax rates
A. Alcohol Excise Taxes	
1. Alcoholic beverage taxes:	
Distilled spirits (sec. 5001)	\$10.50 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 ¹	\$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. ²
2. Alcohol occupational taxes:	
Brewers (sec. 5091)	\$110 a year; \$55 for less than 500 barrels a year.
Still manufacturers (sec. 5101)	\$55 a year, plus \$22 per still.
Wholesale dealers (sec. 5111):	
Liquors and wines	\$255 a year.
Beer	\$123 a year.
Retail dealers ³ (sec. 5121):	
Liquors and wines	\$54 a year.
Beer	\$24 a year.

¹ Wines containing more than 24 percent alcohol are taxed as distilled spirits.

² \$7 per barrel for certain small brewers.

³ In addition, there is a tax of \$4.50 for each month in which sales are made (\$2.20 per month when *only* sales of beer or wine are made) for every limited retail dealer—i.e., certain fraternal and civic organizations and concessionaries at fairs and carnivals (sec. 5121(c)).

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 (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 (weighing no more than 3 pounds per thousand)... \$8 per thousand (16 cents per pack) through Sept. 30, 1985; \$4 per thousand (8 cents per pack) thereafter.

Large cigarettes (weighing more than 3 pounds per thousand)... \$16.80 per thousand through Sept. 30, 1985; \$8.40 per thousand thereafter.

3. Cigarette papers and tubes:

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

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

Tax (and Code section)

Tax rates

C. Highway Trust Fund Excise Taxes 4/1/83-9/30/88**1. Petroleum products:**

Gasoline (sec. 4081).....	9 cents/gallon.
Diesel fuel (sec. 4041 (a))..	9 cents/gallon.
Special motor fuels (sec. 4041 (b)).....	9 cents/gallon.
Gasohol (secs. 4041(k) and 6427(f)).....	4 cents/gallon (i.e., a 5-cents/gal. exemption).

2. Trucks and trailers:

Trucks (over 33,000 lbs.) and trailers (over 26,000 lbs.) (sec. 4051(a)).....	12 percent of retail price.
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3. Tires (sec. 4071):

1/1/84-9/30/88

Tires for highway vehicles ⁴	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.
Laminated tires ⁵	No tax.
Other tires ⁶	No tax.
Inner tubes ⁷	No tax.
Tread rubber ⁸	No tax.

⁴ Before Jan. 1, 1984, the tax on highway tires was 9.75 cents per pound.⁵ Before Jan. 1, 1984, the tax on laminated tires was 1 cent per pound.⁶ Before Jan. 1, 1984, the tax on other tires was 4.875 cents per pound.⁷ Before Jan. 1, 1984, the tax on inner tubes was 10 cents per pound.⁸ Before Jan. 1, 1984, the tax on tread rubber was 5 cents per pound.

Tax (and Code section)	Tax rates	Tax rates
<i>Use tax on heavy highway vehicles (sec. 4481)</i> ⁹	<i>Before 7/1/84</i> ¹⁰	<i>7/1/84-9/30/88</i> ¹¹
	26,000 pounds or less—no tax. Over 26,000 pounds—\$3/1,000 pounds.	Under 33,000 pounds—no tax. 33,000-55,000 pounds—\$50, plus \$25/1,000 pounds over 33,000 pounds. 55,000-80,000 pounds—\$600, plus applicable rate */1,000 pounds over 55,000 pounds. (* The applicable rate is \$40 on 7/1/84; \$44 on 7/1/86; \$48 on 7/1/87; \$52 on 7/1/88.) Over 80,000 pounds—maximum rate (\$1,600 on 7/1/84; \$1,700 on 7/1/86; \$1,800 on 7/1/87; \$1,900 on 7/1/88).

⁹ 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.

¹⁰ Beginning on July 1, 1984, there will be an exemption for trucks used fewer than 5,000 miles on public highways during the taxable period. Also, there will be a prorated refund of tax for trucks destroyed or stolen during the taxable period.

¹¹ The applicable rate schedules apply 1 year later in each case for "small owner-operators" (those owning and operating no more than 5 taxable trucks).

Tax (and Code section)

Tax rates

D. Airport and Airway Trust Fund Excise Taxes

9/1/82-12/31/87

Air passenger ticket tax (sec. 4261)	8 percent of air fare.
International departure tax (sec. 4261)	\$3 per person.
Domestic air cargo tax (sec. 4271)	5 percent of way bill.
Fuels tax for noncommercial (general) aviation:	
Gasoline (secs. 4081 and 4041(c))	12 cents per gallon.
Nongasoline (sec. 4041(c))	14 cents per gallon.

E. Environmental Excise Taxes**1. Taxes for Hazardous Substance Response Trust Fund:**

Crude oil tax (sec. 4611) ... 0.79 cents per barrel (through Sept. 30, 1985).¹²

Excise taxes on chemicals (sec. 4661)..... Rates range from \$0.22 to \$4.87 per ton** (through Sept. 30, 1985).¹²

(**For specific tax rates, see Table 1 in the Appendix.)

2. Tax for Post-Closure Liability Trust Fund:

Tax on hazardous waste (sec. 4681)..... \$2.13 per dry weight ton.¹³

F. Black Lung Disability Trust Fund Taxes

Coal excise tax (sec. 4121) \$1 per ton for coal from underground mines and 50 cents per ton for coal from surface mines (but no more than 4 percent of the coal's price).¹⁴

Penalty taxes on black lung benefit trusts (secs. 4951, 4952, and 4953)..... Varying rates on certain activities (See "Penalty" excise taxes, N.1., below.)

G. Gas Guzzler Excise Tax (sec. 4064)

(For applicable tax rates by model year, see Table 2 in the Appendix.)

¹² The tax may be suspended earlier if the unobligated trust fund balance exceeds \$900 million (subject to certain limitations). In any event, the authority to collect the tax will terminate when cumulative receipts from the taxes on crude oil and chemicals total \$1.38 billion.

¹³ This tax will be suspended if the fiscal year ending balance (after calendar year 1984) exceeds \$200 million. Also the authority to collect this tax will likewise terminate when the cumulative receipts from the taxes on crude oil and chemicals total \$1.38 billion (as indicated in footnote 12 above).

¹⁴ Tax does not apply to lignite.

Tax (and Code section)	Tax rates
H. Crude Oil Windfall Profit Tax (secs. 4986-4990)	
Tier one oil	70 percent; 50 percent for independent producer oil.
Tier two oil (stripper oil; ¹⁵ Naval Petroleum Reserve oil).....	60 percent; 30 percent for independent producer oil.
Tier three oil:	
Newly discovered oil	22.5 percent for 1984; 20 percent for 1985; and 15 percent for 1986 and thereafter. (Tax rate was 25 percent for 1983.)
Heavy oil and incremental tertiary oil	30 percent.
I. Inland Waterways Trust Fund Tax	
Tax on diesel and other liquid fuels used by commercial cargo vessels on specified inland or intra-coastal waterways (sec. 4042).....	8 cents per gallon (Oct. 1, 1983-Sept. 30, 1985). 10 cents per gallon (Oct. 1, 1985 and thereafter).
J. Land and Water Conservation Fund; National Recreational Boating Safety and Facilities Improvement Fund	
1. Land and Water Conservation Fund:	
Gasoline and special fuels used in motor-boats (secs. 4081 and 4041(b)).....	9 cents per gallon (Apr. 1, 1983-Sept. 30, 1988).
2. National Recreational Boating Safety and Facilities Improvement Fund:	
Gasoline and special fuels used in motor-boats (secs. 4081 and 4041(b)).....	9 cents per gallon (Apr. 1, 1983-Sept. 30, 1988).

¹⁵ Qualified independent stripper oil is exempt, beginning in 1983 (sec. 4994(g)).

Tax (and Code section)

Tax rates

K. Sporting Goods and Firearms Excise Taxes**1. Sporting goods:**

Fishing equipment (rods, reels, creels, and artificial lures, baits, and flies) (sec. 4161(a)).....	10 percent of mfrs. price.
Bows and arrows (sec. 4161(b)).....	11 percent of mfrs. price.

2. Regular firearms and ammunition (sec. 4181):

Pistols and revolvers.....	10 percent of mfrs. price.
Firearms other than pistols and revolvers....	11 percent of mfrs. price.
Ammunition (shells and cartridges)	11 percent of mfrs. price.

3. Non-regular firearms:

Occupational taxes (sec. 5801): ¹⁶	
Importers.....	\$500 per year.
Manufacturers.....	\$500 per year.
Dealers.....	\$200 per year.
Transfer taxes (sec. 5811):	
Generally.....	\$200 per transfer.
Certain concealable weapons (sec. 5845(e))	\$5 per transfer.
Making tax (sec. 5821).....	\$200 per firearm.

L. Communications (Telephone) Excise Tax

Local and toll (long-distance) telephone and teletype- writer services (sec. 4251)....	3 percent of amount paid (Jan. 1, 1983-Dec. 31, 1985).
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M. 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 ac- cepting wagers (taxable period is July-June), except that tax is \$50 per year in States where wagering is authorized by State law.

¹⁶ Importers, manufacturers, or dealers in certain concealable weapons only are taxed (under sec. 5845(e)) as follows: \$25 per year per place of business for importers and manufacturers; and \$10 per year per place of business for dealers.

Tax (and Code section)	Tax rates
N. Miscellaneous Excise Taxes	
1. "Penalty" excise taxes:	
<i>Lobbying expenditures by public charities (sec. 4911)</i>	25 percent of excess lobbying expenditures.
<i>Private foundation activities:</i>	
Self-dealing (sec. 4941).....	<i>Initial tax.</i> —5 percent of the amount of self-dealing on the self-dealer; 2½ percent on foundation manager (up to \$10,000). <i>Additional tax.</i> —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).....	<i>Initial tax.</i> —15-percent tax on the amount remaining undistributed at the beginning of the second (or succeeding) taxable year. <i>Additional tax.</i> —If not corrected, there is an additional tax of 100 percent of the amount not distributed at the end of the correction period.
Excess business holdings (sec. 4943).....	<i>Initial tax.</i> —5-percent tax on the value of the excess holdings. <i>Additional tax.</i> —If not corrected, there is an additional tax of 200 percent of the excess holdings at the end of the correction period.

Tax (and Code section)

Tax rates

N.1. "Penalty" excise taxes
(Cont.)

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

Initial taxes.—5-percent tax on the foundation; 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 each 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).

Black lung benefit
trusts:

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

Initial taxes.—10-percent tax on self-dealers of 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 expendi-
tures (sec. 4952).....

Initial taxes.—10-percent tax on the trust; 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.

Tax (and Code section)	Tax rates
N.1. "Penalty" excise taxes (<i>Cont.</i>)	
Excess contributions to benefit trust (sec. 4953).....	5 percent of excess contribution to the trust.
<i>Qualified pension, etc., plans:</i>	
Failure to meet minimum funding standards (sec. 4971).....	<i>Initial tax.</i> —Tax of 5 percent of accumulated funding deficiency is imposed on employer. <i>Additional tax.</i> —If not corrected, a tax of 100 percent is imposed on employer.
Excess contributions to IRAs, etc. (sec. 4973).....	6-percent tax on individual of excess contributions to the plan.
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 transactions (sec. 4975).....	<i>Initial tax.</i> —5-percent tax on disqualified person of the amount involved in the prohibited transaction. <i>Additional tax.</i> —If not corrected, a tax of 100 percent is imposed.
<i>Real estate investment trusts</i> (sec. 4981).....	3 percent on certain REIT taxable income not distributed during the taxable year.

Tax (and Code section)

Tax rates

2. Excise tax on private foundations:

Domestic foundations (sec. 4940)..... 2 percent of net investment income.

Foreign foundations (sec. 4948)..... 4 percent of gross investment income from sources within U.S.

3. 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.

4. 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 premium paid (unless the insurer is subject to tax under sec. 819); and

(c) *Reinsurance*.—1 cent per premium paid for reinsurance under (a) or (b).

5. Excise tax on issue of registration-required obligation not in registered form (sec. 4701).....

1 percent of amount of obligation multiplied by the number of calendar years of the obligation.

APPENDIX

**Table 1.—Excise Tax Rates on Certain Chemicals for the
Hazardous Substance Response Trust Fund**

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	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

Table 1.—Excise Tax Rates on Certain Chemicals for the Hazardous Substance Response Trust Fund—Continued

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

Table 2.—Rate of Gas Guzzler Tax by Model Year (Sec. 4064)

Model year	Fuel economy rating (in miles per gallon)	Tax
1984	At least 19.5	0
	At least 18.5 but less than 19.5	450
	At least 17.5 but less than 18.5	600
	At least 16.5 but less than 17.5	750
	At least 15.5 but less than 16.5	950
	At least 14.5 but less than 15.5	1,150
	At least 13.5 but less than 14.5	1,450
	At least 12.5 but less than 13.5	1,750
	Less than 12.5	2,150
1985	At least 21	0
	At least 20 but less than 21	500
	At least 19 but less than 20	600
	At least 18 but less than 19	800
	At least 17 but less than 18	1,000
	At least 16 but less than 17	1,200
	At least 15 but less than 16	1,500
	At least 14 but less than 15	1,800
	At least 13 but less than 14	2,200
Less than 13	2,650	
1986 and thereafter	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	

