Form **720**
(Rev. Feb. 1973)
Department of the Treasury
Internal Revenue Service

Quarterly Federal Excise Tax Return

Part I

1. Total tax. *(Before making entries in items 1 to 9, compute your total tax in Part II below.)* . . . . . .
2. Adjustments. *(See instructions. Attach statement explaining adjustments.)* . . . . . .
3. Tax as adjusted. *(Item 1 plus or minus item 2.)* . . . . . .

4. **(a)** Record of Tax Liability. *(See instructions on page 4.)* | **(b)** Record of Federal Tax Deposits

Period		Amount of Liability		Date of deposit	Amount
First Month	1st–15th day				
	16th–last day				
	Total for month				

Instructions

Additional information on excise taxes is contained in IRS Publication 510 available free from any Internal Revenue office.

Name, address, and employer identification number.—After you first file Form 720, a preaddressed return will be mailed to you every three months. Please use the preaddressed form. If it is lost, request another. Unless already shown on the preaddressed form, enter at the right of the space provided for the taxpayer's name, the ending month and year of the calendar quarter for which the return is filed. If you must use a non-preaddressed form, type or print your name, address, and employer identification number exactly as shown on previous returns. Do not use an employer identification number assigned to a prior owner.

You must file a return for each quarter whether or not you incurred any liability. If you have no tax to report, enter "None" in item 3.

Adjustments.—Generally, an adjustment may be allowed for all the taxes reported on Form 720 to correct mathematical errors or to adjust payments of tax on transactions, charges, or processing that are entitled to be made tax free.

Enter in item 2 the total of any adjustments claimed. If you claim an adjustment, attach a statement explaining the basis for it and state that you have the required supporting evidence. You must identify the IRS Numbers being adjusted, and the amount of adjustment claimed for each.

You may claim a refund on Form 843 (but adjustment may not be allowed on Form 720) to recover tax paid with respect to sugar exported, or any manufactured sugar or article manufactured therefrom, used as or in the production of livestock feed, for the distillation of alcohol, or for the production of alcohol (other than alcohol produced for human food consumption).

Exemptions.—Some transactions involving sales of taxable articles, payment for services and facilities, and the sale, processing, or use of products or commodities are exempt from tax. As an illustration, certain exemptions are provided for export transactions and for transactions involving States, political subdivisions, and certain nonprofit educational organizations.

Records.—Keep on file at your principal place of business or some other convenient location, duplicate copies of your return and accurate records and accounts of all transactions. They must contain sufficient information to indicate whether the correct amount of tax has been computed and paid. Also, keep records and information in support of all adjustments claimed and all exemptions. In the case of most taxes reportable on Form 720, keep your records at least four years from the date: (1) the tax becomes due, (2) the tax is paid, (3) an adjustment is claimed, or (4) a claim for refund is filed, whichever is later. If required, your records must be available for inspection by the Internal Revenue Service.

Penalties and Interest

Avoid penalties and interest by correctly filing, depositing and paying tax when due. The law provides a penalty of from 5 percent to 25 percent of the tax for late filing unless reasonable cause is shown for the delay. If you are late filing a return or depositing tax, send a full explanation with the return. Penalties are provided for willful failure to collect and pay tax, keep records, file returns, and for filing false or fraudulent returns.

Penalties are also provided for late payment of tax and for not depositing the proper amount of tax when due. Neither penalty applies if you can show reasonable cause for failure to pay or deposit when due.

Taxes not deposited when due.—The penalty for failure to make deposits when due is 5 percent of the amount of the underpayment, without regard to how long the underpayment continues.

Taxes not paid when due.—The penalty for failure to pay taxes when due is ½ of 1 percent of the unpaid amount for each month or part of a month it remains unpaid—**up to 25 percent of the unpaid amount.** The penalty applies to any unpaid tax shown on a return. It also applies to any portion of additional tax shown on a bill if it is not paid within 10 days from the date of the bill. This penalty is in addition to the 6 percent interest charge on late payments.

Facilities and Services

Policies issued by foreign insurers.—The rates of tax not shown on the face of the form are:

(1) Casualty insurance and indemnity bonds.—Four cents on each dollar, or fractional part thereof, of the premium paid on the policy of casualty insurance or the indemnity bond.

(2) Life insurance, sickness and accident policies, and annuity contracts.—One cent on each dollar or fractional part thereof, of the premium paid on the policy of life, sickness or accident insurance, or annuity contract.

(3) Reinsurance.—One cent on each dollar, or fractional part thereof, of the premium paid on the policy of reinsurance covering any of the contracts taxable under *(1)* or *(2)*.

Manufacturers

These taxes apply to the sale or use by the manufacturer, producer, or importer of the articles listed.

Basis for tax and adjustments.—Generally, the tax is computed on the price for which the taxable article is sold or leased. If a taxable article is sold or leased under a conditional sales contract, installment payment contract, or chattel mortgage arrangement, compute and pay tax on each payment received during the quarter covered by the return. For exclusion from the sale price of finance charges, and local advertising charges, consult your District Director. Consult him also on special rules that apply to the lease of any article.

If charges for transportation, delivery, insurance, and installation are included in the manufacturer's sale price, you may adjust the price by deducting the actual amount paid or incurred for such expenses. For the circumstances under which adjustments may be made and about the evidence required to support such adjustments, consult your District Director or the applicable regulations. Adjustment of the manufacturer's sale price may also be made for discounts, rebates, and other similar allowances granted to the purchaser. But such discounts, etc., may not be anticipated. Adjustments may only be made if the purchaser has taken advantage of the discount, etc., before the return is required to be filed.

If the adjustments are made or the required evidence is obtained after the return is filed, the amount of tax involved may be considered an overpayment and you may then take a credit for that amount on a later return, or file a refund claim.

Tax shall be computed on a price established by the Commissioner of Internal Revenue if an article is sold by the manufacturer or producer at retail, on consignment, or otherwise than through an arm's-length transaction at less than the fair market price, or if the article is used by the manufacturer or producer in a manner subject to tax.

Products and Commodities

These taxes apply to the manufacture of manufactured sugar; the retail sale or use of diesel fuel, special motor fuels and fuel used in noncommercial aviation; the sale of gasoline, tread rubber, or the sale or lease of tires or inner tubes, by their manufacturer, producer, or importer; and the sale of lubricating oils by their manufacturer or producer.

The rates of tax not shown on the face of the form are as follows:

Manufactured sugar.—On all manufactured sugar, 0.53 cent per pound of the total sugars therein.

Diesel fuel and special motor fuels:

(a) Four cents a gallon if sold for use or used as a fuel in a highway vehicle, except that the tax is 2 cents a gallon if sold for use or used in a highway vehicle (A) which, at the time of sale or use, is not registered and is not required to be registered for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is not used on the highway.

(b) If fuel is sold subject to tax at the 2 cents a gallon rate, an additional tax of 2 cents a gallon is imposed on the user if the fuel is used in a highway vehicle (A) which, at the time of use, is registered or is required to be registered for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway.

(c) Two cents a gallon on special motor fuels sold for use or used as a fuel in a motor boat or other vehicle that is not a highway vehicle.

A tax is imposed on aviation fuel sold for use or used in noncommercial aviation. The retailers tax on aviation gasoline is in addition to the manufacturers tax. If fuel was taxed on its sale as a special motor fuel but subsequently it is used as aviation fuel, the tax on the user would be the difference between the 7¢ rate and the 4¢ or 2¢ rate previously paid on the sale of the fuel to the user.

(Instructions continued on page 4.)

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3. Tax as adjusted. *(Item 1 plus or minus item 2.)* . . . . . .

4. **(a)** Record of Tax Liability. *(See instructions on page 4.)* — **(b)** Record of Federal Tax Deposits

Period		Amount of Liability	Date of deposit	Amount
First Month	1st–15th day			
	16th–last day			
	Total for month			
Second Month	1st–15th day			
	16th–last day			
	Total for month			
Third Month	1st–15th day			
	16th–last day			
	Total for month			
(c) Total Liability for Quarter				
(d) Final deposit made for quarter (see note under item 7).				
(e) Total deposits for quarter (including final deposit made for quarter)				

5. Overpayment from previous quarter . . . . . ▶
6. Total deposits (item 4(e) plus item 5) . . . . . ▶
7. Undeposited taxes due *(item 3 less item 6; this should be $100 or less)*. Pay to Internal Revenue Service . . . . ▶

Note: If undeposited taxes due at the end of the quarter are more than $100, the entire balance must be deposited. This deposit must be entered in the deposit schedule above in item 4(d).

8. If item 6 is more than item 3, enter excess here ▶ $ and check if you want it: ☐ applied to your next return, or ☐ refunded to you.
9. If not liable for returns in succeeding quarters, write "FINAL" here ▶ and return this form to your Internal Revenue Service Center.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete.

Signature _____ Title (Owner, etc.) _____ Date _____

Part II

Facilities and Services	Rate	Tax	IRS No.
Toll telephone service . . . . . / Teletypewriter exchange service . . . / Local telephone service	9%		22
Transportation of persons by air . . .	8%		26
Use of international air travel facilities .	$3.00 per person		27
Transportation of property by air . . .	5%		28
Policies issued by foreign insurers . . .	(*)		30
Manufacturers			
Truck, bus, and trailer chassis and bodies; tractors	10%		33
Parts or accessories for trucks, etc. . .	8%		48
Fishing rods, etc., and artificial lures, etc.	10%		41
Pistols and revolvers	10%		32
Firearms	11%		46
Shells and cartridges	11%		49

Products and Commodities		Rate	Tax	IRS No.
Sugar		(*)		60
Diesel fuel and special motor fuels . .		(*)		61
Gasoline (manufacturers tax)		4¢ gal.		62
Fuel used in noncommercial aviation	Fuel other than gasoline . . .	7¢ gal.		69
	Gasoline (retailers tax)	3¢ gal.		14
Lubricating oil		6¢ gal.		63
Tires	highway vehicle type	10¢ lb.		66
	laminated	1¢ lb.		
	other	5¢ lb.		
Inner tubes		10¢ lb.		67
Tread rubber (camelback)		5¢ lb.		68
TOTAL TAX (Enter in Item 1 above)				

See instructions on page 2.

YOUR COPY

Type or print in this space your name, address, and employer identification number as shown on original.

Return for calendar quarter ending (Enter month and year as on original)

Instructions (Continued)

Depositary Method of Payment

If you are liable in any calendar quarter for more than $100 of excise taxes, you are required to make semimonthly, monthly or quarterly deposits with an authorized commercial bank depositary or a Federal Reserve bank, in accordance with specific instructions below.

If you are liable for $100 or less of taxes for a calendar quarter (or your total liability for a calendar quarter, less any deposits for the quarter, is $100 or less), you must either pay the taxes with your quarterly return or deposit them with an authorized commercial bank or Federal Reserve bank.

Deposit Requirements

Record of deposits and liabilities.—If you are required to make semimonthly deposits, as discussed below, you must also record your semimonthly tax liabilities in item 4, unless you come within the exceptions discussed in the section below headed "Important Notes." If you come within these exceptions, or are liable only for monthly deposits, you may record your liabilities in the monthly totals.

Monthly deposits.—If you are liable in any month (except the last month of a calendar quarter), for more than $100 of taxes reportable on Form 720 and you are not required to make semimonthly deposits, you must deposit the amount on or before the last day of the next month. In the case of transportation and communications taxes, the tax computed on the basis of amounts billed (communications) or tickets sold (transportation) for a monthly period is considered as collected during the succeeding monthly period.

Semimonthly deposits.—If you had more than $2,000 in excise tax liability for any month of a calendar quarter, you must deposit taxes for the following calendar quarter (regardless of amount) on a semimonthly basis as follows:

(A) If the amount is for transportation or communications taxes and the tax is computed on the basis of amounts billed (communications) or tickets sold (transportation), the tax computed for a semimonthly period is considered as collected during the second succeeding semimonthly period. Deposit such amount within three banking days after the close of the semimonthly period for which it was collected. A "semimonthly period" means the first 15 days of a calendar month or that part of the month after the 15th day.

(B) If the amount is for tax on sugar manufactured in the United States or on policies issued by foreign insurers, deposit it:

a. On or before the first day of the next month if the tax is for the first semimonthly period of a month, or
b. On or before the 15th day of the next month if the tax is for the second semimonthly period of a month.

(C) If the amount is for taxes other than those described above in (A) or (B), deposit it on or before the ninth day following the semimonthly period for which it is reportable.

You meet the semimonthly deposit requirements if the amount you deposit for the semimonthly period is:

1. Not less than 90% of the total tax collected during (or reportable for) the semimonthly period,
2. Not less than 45% of the total tax collected during (or reportable for) the month,
3. Not less than 50% of the total tax collected during (or reportable for) the second preceding month (first preceding month for transportation and communications taxes), or
4. For manufacturer's and retailer's taxes only—in the case of an amount you deposit for the second semimonthly period in the month, when added to the deposit for the first semimonthly period, not less than 90% of the total taxes reportable for the month.

In addition, if the semimonthly period is in either of the first two months of the quarter, you must deposit the underpayment for the month by the following date:

(a) The first day of the second month following such month in the case of tax on sugar and foreign insurance policies;
(b) The ninth day of the second month following such month in the case of manufacturer's and retailer's taxes, and
(c) The last day of the following month in the case of transportation or communications taxes.

Important Notes:

(1) If you use options 2, 3, or 4 to meet semimonthly deposit requirements, you may not be required to keep books and records (except as to deposits) on a semimonthly basis or record your tax liability on a semimonthly basis in item 4. (See Sec. 48.6302 (c)–1 and Sec. 49.6302(c)–1 of the Regulations.)

(2) You may not use options 2 or 3 if you collect more than 75 percent of the transportation or communications taxes or if you incur more than 75 percent of the monthly liability for other taxes in the first semimonthly period in each month.

Quarterly deposits.—If your excise tax liability for a quarter (reduced by any monthly or semimonthly deposits for the quarter) is more than $100, you must deposit the unpaid balance on or before the last day of the first month following the quarter. If however, the unpaid balance is for communications or transportation taxes only, deposit the unpaid balance on or before the last day of the second month following the quarter. You may make deposits of $100 or less, but are not required to do so.

This provision does not extend the time for depositing the taxes for the last semimonthly period of the quarter, nor relieve you of penalties for failure to make other required timely deposits.

Federal Tax Deposit Form 504.—You must deposit all excise taxes reportable on Form 720, in an authorized commercial bank or a Federal Reserve Bank, with Federal Tax Deposit Form 504, unless the total liability for any calendar quarter less the amount of taxes previously deposited, is $100 or less. If you are paying a tax for the first time or need additional forms, contact the District Director or the Director of a Service Center (see "Where to File" below) in time to make required deposits. Any tax due and not deposited must accompany the return.

Overpayment.—If you deposited more than the correct amount of taxes for a quarter, you may elect to have the overpayment applied to your next return or refunded to you. Show the appropriate amount in the space provided in item 8. Any amount you elect to have applied to your next return should be entered in item 5 of your next return.

When to File

A return must be filed for each quarter of the calendar year as follows:

Quarter covered	All excise taxes other than trans. and comm. due on or before	Trans. and comm. due on or before
January, February, March	April 30	May 31
April, May, June	July 31	August 31
July, August, September	October 31	November 30
October, November, December	January 31	February 28

For all excise taxes other than those on transportation and communications, you are allowed an additional 10 days for filing your return if it shows timely deposits in full payment of the taxes due for the quarter.

Where to File

If your principal business, office or agency, or legal residence in the case of an individual, is located in ▼	Use this address ▼
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Internal Revenue Service Center 1040 Waverly Avenue Holtsville, N.Y. 11799
New York (all other counties), Connecticut, Maine, Massachusettts, New Hampshire, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Mass. 01812
District of Columbia, Delaware, Maryland, Pennsylvania	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Alabama, Florida, Georgia, Mississippi, South Carolina	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Michigan, Ohio	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Internal Revenue Service Center 3651 S. Interregional Hwy. Austin, Texas 78740
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Internal Revenue Service Center 1160 West 1200 South St. Ogden, Utah 84405
Illinois, Iowa, Missouri, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Mo. 64170
California, Hawaii	Internal Revenue Service Center 5045 East Butler Avenue Fresno, California 93730
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Internal Revenue Service Center 3131 Democrat Road Memphis, Tennessee 38110

If you have no legal residence, principal place of business or principal office or agency in any Internal Revenue district, file your return with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

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