

# Gas Guzzler Tax

▶ Attach to Form 720.

▶ See instructions on back.

Employer identification number

Quarter ending or year ending

## Part I Computation of Tax

Line number	If the fuel economy (mpg) of the automobile model type is:			1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	(a) At least	(b) But less than	(c) Tax rate	(d) Number of cars sold	(e) Tax due (multiply column (c) by column (d))	(f) Number of cars sold	(g) Tax due (multiply column (c) by column (f))	(h) Number of cars sold	(i) Tax due (multiply column (c) by column (h))	(j) Number of cars sold	(k) Tax due (multiply column (c) by column (j))
1	22.5	—	\$ 0								
2	21.5	22.5	1,000								
3	20.5	21.5	1,300								
4	19.5	20.5	1,700								
5	18.5	19.5	2,100								
6	17.5	18.5	2,600								
7	16.5	17.5	3,000								
8	15.5	16.5	3,700								
9	14.5	15.5	4,500								
10	13.5	14.5	5,400								
11	12.5	13.5	6,400								
12	—	12.5	7,700								
13	Total tax due for the quarter. Add lines 2-12 in column (e), (g), (i), or (k). Enter the amount of tax for the quarter on Form 720 on the line for IRS No. 40										

## Part II Identification of Models Subject to Gas Guzzler Tax

Line no. from above	Quarter	No. of vehicles	Make, model name, and model year

**Paperwork Reduction Act Notice**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** . . . . . 4 hrs., 18 min.
- Learning about the law or the form** . . . . . 12 min.
- Preparing and sending the form to IRS** . . . . . 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the **Instructions for Form 720**, Quarterly Federal Excise Tax Return.

**Changes You Should Note**

- (1) For sales after December 31, 1990, the gas guzzler tax rates have increased and are applicable to **any year** automobile that does not meet the fuel economy standards listed on page 1.
- (2) Beginning in 1991, the gas guzzler tax is imposed on limousines regardless of their weight.
- (3) The form has been redesigned to allow for the computation of the tax for each quarter.
- (4) If you lengthen an existing automobile, you are now considered a manufacturer of that automobile.
- (5) Small manufacturers are no longer exempt from the tax on lengthening existing automobiles and cannot apply for an alternate tax rate.

**General Instructions**

*(Section references are to the Internal Revenue Code unless otherwise noted.)*

**Purpose of Form.**—Use Form 6197 to compute the gas guzzler tax. The gas guzzler tax is imposed on the sale or use by the manufacturer or importer of an automobile of a model type that does not meet certain standards for fuel economy. Automobiles imported for business or personal use are subject to the tax. The tax liability is computed each quarter and reported on **Form 720**, Quarterly Federal Excise Tax Return. However, Form 6197 is filed once a year. Even though you file Form 6197 once a year, deposits of the tax must be made semimonthly. Attach Form 6197 to the Form 720 that you file for the fourth quarter of a calendar year. See the separate instructions for Form 720 for information on where to file this form and how to make deposits.

If you import an automobile for personal use, you may be eligible to make a one-time filing for which no deposit is required. See "One-Time Filings; Special Rules" for more information.

**Sale** includes the manufacturer's first use of an automobile or first lease of an automobile. For rules on paying the tax in the case of a first lease, see section 4217(e)(2).

**Manufacturer** includes a producer or importer. Automobiles imported for business or personal use are subject to the tax. The lengthening of existing automobiles, to make a stretch limousine for example, is considered a manufacture.

**Automobile** means any four-wheeled vehicle rated at 6,000 pounds unloaded gross weight or less that is propelled by an engine powered by gasoline or diesel and is intended for use mainly on public streets, roads, and highways. Included are limousines regardless of their weight.

Automobile does not include: vehicles operated exclusively on a rail or rails; vehicles sold for use and used: (1) as ambulances or combination ambulance-hearses, (2) as Federal, state, or local police or other law enforcement vehicles, and (3) for firefighting purposes; or nonpassenger automobiles as defined in 49 CFR 523.5 (1978).

**Fuel economy** means the average number of miles an automobile travels on a gallon of gasoline (or an equivalent amount of other fuel) as established by the Environmental Protection Agency (EPA).

**Model type** means a particular class of automobile as determined by EPA regulations.

**Instructions for Part I**

Use Part I to compute the gas guzzler tax for each quarter. Columns (d) and (e) are used for the first quarter, (f) and (g) for the second quarter, (h) and (i) for the third quarter, and (j) and (k) for the fourth quarter.

**Line 2-12, columns (d), (f), (h), and (j).**—Enter the number of automobiles sold, used, or leased in each rating category in column (d) for the first quarter, column (f) for the second quarter, column (h) for the third quarter, and column (j) for the fourth quarter. If you sold two or more different models in a rating category during a quarter, add the number sold for each different model and enter the total in column (d), (f), (h), or (j).

**Example:** In the second quarter of 1991, B, a manufacturer, sold six Model X cars that have an EPA rating of 20 miles per gallon and eight Model Y cars that have an EPA rating of 19.7 miles per gallon. B would enter 14 on line 4, column (f).

**Lines 2-12, columns (e), (g), (i), and (k).**—Multiply the tax rate in column (c) by the number of vehicles sold, used, or leased in column (d) for the first quarter, column (f) for the second quarter, column (h) for the third quarter, or column (j) for the fourth quarter. Enter the total in column (e) for the first quarter, column (g) for the second quarter, column (i) for the third quarter, or column (k) for the fourth quarter. Using the example above, B would multiply \$1,700 in column (c) by the 14 cars sold in column (f) for a tax of \$23,800. This tax would be entered on line 4, column (g).

**Line 13, columns (e), (g), (i), and (k).**—Add the amounts on lines 2-12 and enter the total in column (e) for the first quarter, column (g) for the second quarter, column (i) for the third quarter, and column (k) for the fourth quarter. Using the above example, there is only one entry on lines 2-12 for the second quarter. B would enter the \$23,800 on line 13, column (g) and also would enter it on the line for IRS No. 40 on the second quarter Form 720.

**Instructions for Part II**

For each different model sold during a quarter, enter the line number it is reported on, the quarter, the number of vehicles sold, and the make, model name, and model year. If you sell the same model in more than one quarter, use only one line in Part II for that model. If you need additional space, attach a schedule in the same format as Part II.

**One-Time Filings; Special Rules**

If you import an automobile for personal use, you may be eligible to make a one-time filing of Form 6197 and Form 720. You may make a one-time filing to report the gas guzzler tax if you meet all three of the following conditions:

- (1) You do not use the automobile in the course of any trade or business;
- (2) You do not import gas guzzling automobiles in the course of your trade or business; and
- (3) You are not required to file Form 720 reporting excise taxes for the calendar quarter, except for one-time filings.

The following rules apply if you are making a one-time filing:

(1) File the return for the quarter in which you incur liability for the tax. The due dates of Form 720 and Form 6197 are:

1st quarter	April 30, 1991
2nd quarter	July 31, 1991
3rd quarter	October 31, 1991
4th quarter	January 31, 1992

(2) Pay the tax with the return.

(3) If you are an individual, enter your social security number on Form 6197 and Form 720 in the employer identification number block.

**Example:** In August 1991, A, an individual, imports a car into the United States and uses it for personal use. The car has a fuel economy rating of 15 miles per gallon, so A is liable for the gas guzzler tax. A does not use the automobile in the course of any trade or business, does not import gas guzzling automobiles in the course of his or her trade or business, and is not otherwise required to file a Form 720 for the calendar quarter. Therefore, A's filing of Forms 720 and 6197 for the third quarter of 1991 is a one-time filing. A does not have to deposit the gas guzzler tax of \$4,500. Instead, A pays with the return. Also, A enters his or her social security number on Forms 720 and 6197 instead of applying for an employer identification number. A checks the final return box on Form 720. The due date for A's filing of Forms 720 and 6197 is October 31, 1991.