

# Gas Guzzler Tax

▶ Attach to Form 720.

▶ See instructions on page 2.

Name (as shown on Form 720)	Employer identification number	Quarter ending
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**Part I** Computation of Tax

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

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

Line no. from above	Fuel economy rating	No. of vehicles	Make, model name, and model year

## General Instructions

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

**Purpose of form.** Use Form 6197 to figure 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 figured each quarter and reported on Form 720. 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 **Special Rules—One-Time Filings** for more information.

### Definitions

**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. The lengthening of existing automobiles, to make a stretch limousine for example, is considered manufacture.

**Automobile** means any four-wheeled vehicle rated at 6,000 pounds or less unloaded gross weight that is propelled by an engine powered by gasoline or diesel fuel and is intended for use mainly on public streets, roads, and highways. Limousines are included 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 (Code of Federal Regulations) 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 determined by the Environmental Protection Agency (EPA).

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

### Instructions for Part I

Complete Part I, lines 2 through 13.

**Column (d)—number of cars sold.** Each line indicates a rating category based on the fuel economy (mpg) of the model type. Enter the number of automobiles sold, used, or leased during the quarter in column (d) on the applicable line for the rating category.

If you sold two or more models that fall within one category, enter the total number of cars for all models in that category (see **Example** below).

**Column (e)—tax due.** To figure the tax due for each category, multiply the tax rate (column (c)) by the number of automobiles you entered in column (d). Enter the result in column (e).

**Line 13—total tax.** Enter on line 13 the total of all amounts in column (e).

**Example.** In the second quarter of 1999, a manufacturer sold:

Model	Fuel economy rating (mpg)	No. sold
X	20	6
Y	19.7	8
Total automobiles sold. . . . .		14

To complete Form 6197, the manufacturer would:

1. Find the fuel economy rating for the models sold. Both models fall in the category for line 4 (19.5 - 20.5).
2. Enter 14 in column (d), line 4.
3. Enter \$23,800 (\$1,700 x 14) in column (e), line 4.
4. Also, enter \$23,800 on line 13, and on the line for IRS No. 40 on Form 720.

### Instructions for Part II

Complete Part II by entering for each model sold during a quarter the following information:

- The line number the model is reported on,
- The fuel economy rating,
- The number of automobiles sold, used, or leased, and
- The make, model name, and model year.

Using the facts in the **Example** above, the manufacturer would make two entries, one for Model X and one for Model Y.

If you need more space, attach a schedule in the same format as Part II.

### Special Rules—One-Time Filings

If you import an automobile for personal use, you may be eligible to make a one-time filing of Form 6197 and Form 720.

See **Special Rules—One-Time Filings** on page 1 of the **Instructions for Form 720**. If you are making a one-time filing, complete and attach Form 6197 to Form 720, and file the return for the quarter in which you incur liability for the tax. Also, see the Instructions for Form 720 for when to file and how to pay the tax due.

**Example.** In August 1999, A, an individual, imports a car for personal use. The car has a fuel economy rating of 15 mpg, so A is liable for the gas guzzler tax of \$4,500 (Form 6197, line 9). A meets the three conditions for a one-time filing, that is, does not use the vehicle in a trade or business, is not in the business of importing gas guzzling automobiles, and is not otherwise required to file Form 720. A must file Forms 720 and 6197 for the third quarter of 1999, which are due October 31, 1999. A does not have to deposit the gas guzzler tax of \$4,500 but instead pays with the return. A checks the one-time filing box on Form 720.

