

Environmental Taxes

▶ See instructions on back.
 ▶ Attach to Form 720.

Name (as shown on Form 720)	Quarter ending	Employer identification number
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Part I Tax on Ozone-Depleting Chemicals (ODCs), IRS No. 98

Elections. If you elect to report the tax on post-1989 ODCs at the time you sell or use a mixture containing such chemicals instead of when you make the mixture, check this box (the 1990 election) ▶

If you elect to report the tax on post-1990 ODCs at the time you sell or use a mixture containing such chemicals instead of when you make the mixture, check this box (the 1991 election) ▶

(a) ODC	(b) Number of pounds	(c) Tax per pound (See Part I instructions.)	(d) Tax (multiply column (b) by column (c))
1			
2			
3			
4 Total ozone-depleting chemicals tax. Add all amounts in column (d). Enter here and on Form 720 on the line for IRS No. 98 ▶			\$

Part II ODC Tax on Imported Products, IRS No. 19

Election. If you elect to report the tax on imported products at the time you import the products instead of when you sell or use the products, check this box ▶

(a) Imported product	(b) Number of products	(c) ODC weight of product	(d) Tax per pound	(e) Entry value	(f) Tax (See Part II instructions.)
1					
2					
3					
4 Total ODC tax on imported products. Add all amounts in column (f). Enter here and on Form 720 on the line for IRS No. 19 ▶					\$

Part III Tax on Floor Stocks of ODCs, IRS No. 20

(a) ODC	(b) Number of pounds	(c) Tax per pound (See Part III instructions.)	(d) Tax (multiply column (b) by column (c))
1			
2			
3			
4 Total floor stocks tax. Add all amounts in column (d). Enter here and on Form 720 on the line for IRS No. 20 ▶			\$

General Instructions

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

A Change To Note

The tax rates for ozone-depleting chemicals (ODCs) in Parts I and II (Form 6627) have increased for 1998. See the listing below.

Purpose of Form

Use this form to figure the environmental tax on ODCs, imported products that used ODCs as materials in the manufacture or production of the product, and the floor stocks tax on ODCs. If you need more lines for any part of the form, prepare a continuation sheet using the same format as the part. Attach the continuation sheet with Form 6627 to Form 720. See **Pub. 510**, Excise Taxes for 1998, for more information on environmental taxes. See the separate **Instructions for Form 720** for information on when and where to file Form 6627.

Who Must File

1. The manufacturer or importer of ODCs who sells or uses those ODCs,
2. The importer of taxable products who sells or uses those products, or
3. The person other than the manufacturer or importer of ODCs who holds ODCs for sale or use in manufacturing on January 1, 1998.

Specific Instructions

Part I—Tax on Ozone-Depleting Chemicals (ODCs) (IRS No. 98)

The following ODCs are taxable.

Post-1989 ODCs:	Tax Per Pound in 1998
CFC-11	\$6.70
CFC-12	6.70
CFC-113	5.36
CFC-114	6.70
CFC-115	4.02
Halon-1211	20.10
Halon-1301	67.00
Halon-2402	40.20
Post-1990 ODCs:	
Carbon tetrachloride	7.37
Methyl chloroform	0.67
CFC-13, CFC-111, CFC-112, and CFC-211 through CFC-217	6.70

ODCs used as propellants in metered-dose inhalers are exempt from the tax.

Mixture elections. Generally, the creation of a mixture containing one or more ODCs by the manufacturer or importer of an ODC is treated as the use of the ODC in the mixture. However, the manufacturer or importer may elect to treat the sale or use of the mixture as the first sale or use of the ODC in the mixture.

Post-1989 ODCs (the 1990 election). If this election is made, the tax on the post-1989 ODCs in the mixture is imposed on the date of sale or use of the mixture. This election is made by checking the first box in Part I, Form 6627, under **Elections**. The election may be revoked only with the consent of the IRS. The post-1989 ODCs are listed above.

Post-1990 ODCs (the 1991 election). If this election is made, the tax on the post-1990 ODCs contained in the mixture is imposed on the date of sale or use of the mixture. This election is made by checking the second box in Part I, Form 6627, under **Elections**. This election may be revoked only with the consent of the IRS. The post-1990 ODCs are listed earlier.

Lines 1–3, column (c). Enter the tax from the chart shown earlier.

Part II—ODC Tax on Imported Products (IRS No. 19)

An imported taxable product is any product entered into the United States for consumption, use, or warehousing if any ODC was used as material in the manufacture or production of the product. The product must also be listed in the imported products table issued by the IRS. See Pub. 510 and Regulations section 52.4682-3(f)(6). The tax is based on the weight of ODCs used in the manufacture of the product. If the weight is unknown, the tax is 1% of the entry value of the product (value method).

Importer Election. Generally, an imported taxable product is taxed when it is sold or used by the importer. However, an importer may elect to treat the entry of products into the United States as the use of such products. This election applies to all products held by the importer when the election becomes effective. It also applies to all products the importer enters into the United States after the election becomes effective. If an election applies to an imported taxable product, tax is imposed on the product on the date of entry. This election is made by checking the box in Part II, Form 6627, under **Election**. The election may be revoked only with the consent of the IRS.

Figure the ODC weight as follows:

Exact method. If you determine the weight of each ODC used as a material in the manufacture of the product and you can support this determination, the ODC weight of the product is the weight you determine.

Table method. If you do not use the exact method for determining the ODC weight of the product and the ODC weight is listed in the imported products table, the ODC weight used in figuring the tax is the weight listed.

Figure the tax for Part II, lines 1 through 3:

Column (a). Enter the imported product and the applicable ODC. Use additional lines if there is more than one ODC.

Column (b). Enter the number of taxable products imported.

Column (c). Enter the ODC weight of the product in pounds. Do not complete this column if you are using the value method.

Column (d). Enter the tax per pound from the chart in the instructions for Part I on this page, or 1% (.01) if you are using the value method.

Column (e). Enter the entry value of the total number of each imported product if you are using the value method to figure the tax.

Column (f). Figure the tax due by multiplying the number of products in column (b) by the ODC weight in column (c) by the tax per pound in column (d). If you are using the value method, multiply the rate 1% (.01) in column (d) by the entry value in column (e).

Part III—Tax on Floor Stocks of ODCs (IRS No. 20)

The floor stocks tax for 1998 is imposed on the following ODCs.

ODCs:	Tax Per Pound in 1998
CFC-11	\$ 0.45
CFC-12	0.45
CFC-113	0.36
CFC-114	0.45
CFC-115	0.27
Halon-1211	1.35
Halon-1301	4.50
Halon-2402	2.70
Carbon tetrachloride	0.495
Methyl chloroform	0.045
CFC-13, CFC-111, CFC-112, and CFC-211 through CFC-217	0.45

For 1998, you are liable for the floor stocks tax if on January 1 you hold any of the following:

1. At least 400 pounds of ODCs subject to the floor stocks tax and not described in item 2 or 3 below,
2. At least 50 pounds of halons, or
3. At least 1,000 pounds of methyl chloroform.

Report the tax on Form 6627 and Form 720 for the second quarter of 1998. Payment of the tax is due by June 30, 1998.

Lines 1–3, column (c). Enter the tax per pound from the chart above.

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 the 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.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

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

Recordkeeping, 5 hr., 1 min.; **Learning about the law or the form**, 6 min.; **Preparing, copying, assembling, and sending the form to the IRS**, 11 min.

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

