

# 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			
<b>4 Total ozone-depleting chemicals tax.</b> Add all amounts in column (d), include amounts from any additional sheets. Enter the combined total here and on Form 720 on the line for <b>IRS No. 98</b> ▶			\$

**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					
<b>4 Total ODC tax on imported products.</b> Add all amounts in column (f), include amounts from any additional sheets. Enter the combined total here and on Form 720 on the line for <b>IRS No. 19</b> ▶					\$

**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			
<b>4 Total floor stocks tax.</b> Add all amounts in column (d), include amounts from any additional sheets. Enter the combined total here and on Form 720 on the line for <b>IRS No. 20</b> . . . ▶			\$

## 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 have increased for 2003. 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 additional sheets using the same format as the part. Attach the additional sheets with Form 6627 to Form 720. See **Pub. 510, Excise Taxes for 2003**, for more information on environmental taxes. See the **Instructions for Form 720** for information on when and where to file Form 6627.

### Who Must File

- The manufacturer or importer of ODCs who sells or uses those ODCs,
- The importer of taxable products who sells or uses those products, or
- The person other than the manufacturer or importer of ODCs who holds ODCs for sale or use in manufacturing on January 1, 2003.

## 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 2003
CFC-11 . . . . .	\$8.95
CFC-12 . . . . .	8.95
CFC-113 . . . . .	7.16
CFC-114 . . . . .	8.95
CFC-115 . . . . .	5.37
Halon-1211 . . . . .	26.85
Halon-1301 . . . . .	89.50
Halon-2402 . . . . .	53.70
<b>Post-1990 ODCs:</b>	
Carbon tetrachloride . . . . .	9.845
Methyl chloroform . . . . .	.895
CFC-13, CFC-111, CFC-112, and CFC-211 through CFC-217 . . . . .	8.95

**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 (listed above) in the mixture is imposed on the date of sale or use of the mixture. To make the election, check the first box in Part I, under **Elections**. This election may be revoked only with the consent of the IRS.

**Post-1990 ODCs (the 1991 election).** If this election is made, the tax on the post-1990 ODCs (listed above) contained in the mixture is imposed on the date of sale or use of the mixture. To make the election, check the second box in Part I, under **Elections**. This election may be revoked only with the consent of the IRS.

**Column (c).** Enter the tax per pound using the chart above.

### 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 cannot be determined under the exact method or table method (see below), 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. To make the election, check the box in Part II, under **Election**. This election may be revoked only with the consent of the IRS.

**Figure the ODC weight of the product 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 is the weight you determine.

**Table method.** If you do not use the exact method and the ODC weight is listed in the imported products table, use the ODC weight listed to figure the tax.

**Figure the tax for Part II:**

**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. If you are using the value method, do not complete this column.

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

**Column (e).** If you are using the value method to figure the tax, enter the entry value of the total number of each imported product.

**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 1% (.01) rate 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 2003 is imposed on the following ODCs.

ODCs:	Tax Per Pound in 2003
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 2003, 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, other than halons or methyl chloroform, subject to the floor stocks tax,
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 2003. Payment of the tax is due by June 30, 2003.

**Column (c).** Enter the tax per pound using the chart above.

