FORM 720 (Rev. July 1967)
U.S. TREASURY DEPARTMENT
Internal Revenue Service

QUARTERLY FEDERAL EXCISE TAX RETURN

1. Total tax. *Before making entries 1 to 5, fill in applicable lines below* ..... $
2. Credits (See instructions) .....
3. Net tax due (Item 1 minus Item 2) .....
4. This item is for the use of those taxpayers who make deposits of Federal Excise Taxes. (See instructions.) **Credit for deposits will not be allowed unless depositary receipts on Form 537 are enclosed.**

Serial No. of Form 537	Date of Deposit	Amount
		$

Total of depositary receipts .... $

5. Balance of tax to be paid with this return (Item 3 minus Item 4) ..... $

For Internal Revenue Service use

T .... $
P ....
D ....
I ....
Total . $

Make check or money order payable to Internal Revenue Service.

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, president, partner, etc.) Date .....

IMPORTANT.—If the items on which you previously paid excise taxes are no longer included below, or if you no longer have a business operation subject to excise taxes, please write "Final Return" here ..... and return the form to your Internal Revenue Service Office.

IRS IRS

Instructions for Use of Form 720—Quarterly Federal Excise Tax Return

Name, address, and employer identification number.—After the first filing of Form 720, a preaddressed return will be mailed to you every 3 months. Please use the preaddressed form for your return. If a preaddressed form is lost, request another. If you must use a nonpreaddressed 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.

PAYMENT OF TAX

Monthly deposits.—All taxes are due and payable without assessment or notice. If you are liable in any month (except the third month of a quarter) for more than $100 for all taxes listed on Form 720, you are required to deposit such taxes in an authorized local bank or a Federal Reserve bank on or before the last day of the next month. For transportation and communications taxes, the tax computed on the basis of amounts billed or tickets sold for a monthly period shall be considered as collected during the succeeding monthly period. Deposits for the third month of any quarter, and deposits of $100 or less for the first or second month of a quarter, are permissible but not required. If you choose to make a deposit for the last month of a quarter, do so in sufficient time to enable the Federal Reserve bank to return the validated receipt to you so that it can be attached to and filed with your quarterly return.

Semimonthly deposits—*Taxes other than transportation, communications, sugar and policies issued by foreign insurers.*—If any person's total liability for all excise taxes reportable on Form 720 for any calendar month in the preceding calendar quarter exceeded $2,000, such person is required to deposit the excise taxes in an authorized local bank or a Federal Reserve bank on or before the last day of the semimonthly period following the semimonthly period for which the taxes are reportable.

Compliance with the rules above relating to semimonthly deposits are met if—

(a) a deposit for such semimonthly period is not less than 90% of the total amount of the excise taxes reportable for such period and if such period occurs in a month other than the last month in a calendar quarter a deposit for any underpayment for such month is made by the last day of the following month; or

(b) a deposit for each semimonthly period in the month is not less than 45% of the total amount of the excise taxes reportable for the month and if such month is other than the last month in a calendar quarter a deposit for any underpayment for such month is made by the last day of the following month; or

(c) a deposit for each semimonthly period in the month is not less than 50% of the total amount of the excise taxes reportable for the preceding calendar month and if such month is other than the last month in a calendar quarter a deposit of any underpayment for such month is made by the last day of the following month.

Note.—A person who makes his deposits in accordance with the provisions of (b) or (c) above will not be required to keep his books and records on a semimonthly basis.

Options (b) and (c) above are not available to any such person who normally incurs more than 75% of his total excise tax liability for the month in the first semimonthly period in each month.

Semimonthly deposits—*Transportation and communications.*—If any person required to pay over taxes for transportation of persons by air or toll telephone service, teletypewriter exchange service and local telephone service which are collected for a calendar quarter, and if such person's total liability for all excise taxes reportable on Form 720 for any calendar month in the preceding calendar quarter exceeded $2,000, such person must deposit the excise taxes collected within 3 banking days after the close of the semimonthly period during which such taxes were collected.

Note.—Any person who computes amounts of tax required to be paid over on the basis of amounts billed (toll telephone service, teletypewriter exchange service and local telephone service) or tickets sold (transportation of persons by air), the tax so computed for a semimonthly period shall be considered as collected during the second succeeding semimonthly period. A person must notify the Commissioner before changing from one method of computing the tax to another.

Compliance with the rules above relating to semimonthly deposits are met if—

(a) a deposit for such semimonthly period is not less than 90% of the total amount of the excise taxes collected by him during such period and if such period occurs in a month other than the last month in a calendar quarter a deposit for any underpayment for such month is made by the last day of the following month; or

(b) a deposit for each semimonthly period in the month is not less than 45% of the total amount of the excise taxes collected during the month and if such month is other than the last month in a calendar quarter a deposit for any underpayment for such month is made by the last day of the following month; or

(c) a deposit for each semimonthly period in the month is not less than 50% of the total amount of the excise taxes collected during the preceding calendar month, and if such month is other than the last month in a calendar quarter a deposit for any underpayment for such month is made for such month by the last day of the following month.

Note.—A person who makes his deposits in accordance with the provisions of (b) or (c) above will not be required to keep his books and records on a semimonthly basis.

Options (b) and (c) above are not available to any such person who normally collects more than 75% of his total excise taxes collected during the month in the first semimonthly period in each month.

Semimonthly deposits—*Sugar and policies issued by foreign insurers.*—If any person required to pay taxes for sugar and policies issued by foreign insurers for a calendar quarter and if such person's total liability for all excise taxes reportable on Form 720 for any calendar month in the preceding calendar quarter exceeded $2,000, such person must deposit the excise taxes in an authorized local bank or a Federal Reserve bank on or before the **depositary receipt date.**

Compliance with the rules above relating to semimonthly deposits are met if—

(a) a deposit for such semimonthly period is not less than 90% of the total amount of the excise taxes reportable for such period and if such period occurs in a month other than the last month in a calendar quarter a deposit for any underpayment for such month is made by the first day of the second month following such month; or

(b) a deposit for each semimonthly period in the month is not less than 45% of the total amount of the excise taxes reportable for the month and if such month is other than the last month in a calendar quarter a deposit for any underpayment for such month is made by the first day of the second month following such month; or

(c) a deposit for each semimonthly period in the month is not less than 50% of the total amount of the excise taxes reportable for the preceding calendar month and if such month is other than the last month in a calendar quarter a deposit of any underpayment for such month is made by the first day of the second month following such month.

Note.—A person who makes his deposits in accordance with the provisions of (b) or (c) above will not be required to keep his books and records on a semimonthly basis.

Options (b) and (c) above are not available to any such person who normally incurs more than 75% of his total excise tax liability for the month in the first semimonthly period in each month.

Depositary receipt date.—With respect to the first semimonthly period of a month, the "depositary receipt date" is the first day of the month following such month. With respect to the second semimonthly period of a month, the "depositary receipt date" is the 15th day of the month following such month.

Semimonthly period.—A "semimonthly period" means the first 15 days of a calendar month or the portion of a calendar month following the 15th day of such month.

Form 537.—Each deposit is to be accompanied by Form 537, Depositary Receipt for Federal Excise Taxes, which will be validated by the Federal Reserve bank and returned to you. The validated receipts are to be listed in Item 4 of Form 720 and submitted with such return, together with a remittance to pay the balance of tax shown in Item 5. Form 537 to accompany the initial deposit may be obtained from your District Director. Thereafter, the form will be mailed to you by the Federal Reserve bank receiving your deposit. Any tax due which is not deposited must be remitted with the return. Please enter your employer identification number on all remittances.

Quarterly returns and due dates.—A return must be filed for each quarter of the calendar year as follows:

Quarter covered	*All excise taxes other than trans. & comm. due on or before*	*Trans. & 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

(Continued on reverse of your copy)

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Serial No. of Form 537	Date of Deposit	Amount
		$

Total of depositary receipts .... $

5. Balance of tax to be paid with this return (Item 3 minus Item 4) ..... $

FACILITIES AND SERVICES	Rate	TAX $	IRS No.
Club dues, initiation fees, life memberships	(1)		21
Toll telephone service; Teletypewriter exchange service; Local telephone service	10%		22
Transportation of persons by air	5%		26
Policies issued by foreign insurers	(1)		30
MANUFACTURERS			
Pistols and revolvers	10%		32
Truck, bus and trailer chassis and bodies; tractors	10%		33
Other auto chassis and bodies, etc.	7%		34
Parts or accessories for trucks, etc.	8%		48
Fishing rods, etc., and artificial lures, etc.	10%		41
Firearms, shells, and cartridges	11%		46

PRODUCTS AND COMMODITIES	Rate	TAX $	IRS No.
Sugar	(1)		60
Diesel fuel and special motor fuels	(1)		61
Gasoline	4¢ gal.		62
Lubricating oil	6¢ gal.		63
Tires: highway vehicle type	10¢ lb.		66
Tires: laminated	1¢ lb.		
Tires: other	5¢ lb.		
Inner tubes	10¢ lb.		67
Tread rubber (camelback)	5¢ lb.		68
TOTAL TAX (Enter in Item 1 above)		$	

[1] See instructions.

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)

However (for all excise taxes other than those on transportation and communications), you are allowed an additional 10 days for filing your return, if your return is accompanied by depositary receipts, Form 537, showing timely deposits in full payment of the taxes due for the quarter.

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.

A return must be filed for each quarter whether or not liability is incurred. If you have no tax to report, enter "None" in Item 5.

Where to file.—Taxpayers whose principal place of business or principal office or agency is located in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, or Tennessee should file the original of Form 720 with the Director, Internal Revenue Service Center, 4800 Buford Highway, Chamblee, Georgia 30006. If the principal place of business is located in a State other than those mentioned, the return should be filed with the District Director of Internal Revenue for the district in which the business is located. If the business is located in Puerto Rico, the return should be filed with the Director of International Operations, U.S. Internal Revenue Service, Ponce de Leon Avenue and Bolivia Street, Hato Rey, Puerto Rico 00917. If the taxpayer has no legal residence or principal place of business in any Internal Revenue district, the return should be filed with the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

Credits.—Where more than the correct amount of tax has been paid on any previous return, the overpayment may be taken either as a credit on any subsequent Form 720 or may be made the subject of a separate claim for refund on Form 843. Generally, a credit may be taken with respect to all the taxes reported on Form 720 to correct mathematical errors or to adjust payments of tax on transactions, charges, or processing which are entitled to be made tax free.

The total of all credits taken should be entered in Item 2 of Form 720. Where a credit is taken there should be submitted with the return a statement explaining the basis for the credit and that the required supporting evidence is in your possession.

Refunds may be claimed as provided by law (but credit may not be taken) to recover tax paid with respect to sugar exported, or used as livestock feed, or in the distillation of alcohol.

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 containing sufficient information to indicate whether the correct amount of tax has been computed and paid. Records and information in support of all credits taken and all exemptions and adjustments must also be kept. All records shall be maintained for a period of at least 3 years from the date the tax was paid. Such records shall be available for inspection by the Internal Revenue Service.

Penalties and interest.—Avoid penalties and interest by filing correct returns on time, making timely deposits of tax, and by paying the correct tax due with the returns. 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. In the event you are late in filing a return or in making a deposit of tax, send a full explanation with the return. Penalties are also imposed by law for willful failure to collect tax, pay tax, keep records, file returns, and for the filing of false or fraudulent returns.

FACILITIES AND SERVICES

Club dues, initiation fees, life memberships.—The tax on these items has been repealed. However, if a club or organization received club dues, initiation fees, or life memberships which were exempt from tax by reason of section 4243(b) (payments for capital improvements) for any period prior to January 1, 1966, and if any such amount is not expended for such purpose within 3 years after the date of payment of such amount, the club or organization is liable for the tax imposed by section 4241.

Policies issued by Foreign insurers:

(1) Casualty insurance and indemnity bonds.—Four cents on each dollar, or fraction 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).

Telephone service.—Where payment is made and tax collected by inserting coins in a telephone, tax should be computed to the nearest multiple of 5 cents. One-half or a greater fraction of 5 cents shall be treated as 5 cents and a smaller fraction shall be ignored.

MANUFACTURERS

These taxes apply to the sale 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. Where a taxable article is leased or is sold under a conditional sales contract, installment payment contract, or chattel mortgage arrangement, tax must be computed and paid on each payment received during the quarter covered by the return. For exclusion of: (1) finance charges, and (2) local advertising charges from the sale price, consult your District Director. Special rules apply to the lease of any article; for further information, consult your District Director.

Where charges for transportation, delivery, insurance, and installation are included in the manufacturer's sale price, the price may be adjusted by deducting the actual amount paid or incurred for such expenses. The circumstances under which adjustments may be made and the evidence required to support such adjustments may be ascertained by consulting your District Director or the applicable regulations. Adjustment of the manufacturer's sale price may also be made in the case of discounts, rebates, and other similar allowances granted to the purchaser. However, 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.

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

Tax shall be computed on a price established by the Commissioner of Internal Revenue where (1) 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 (2) an article is subject to tax when used by the manufacturer.

PRODUCTS AND COMMODITIES

These taxes apply to the manufacture of manufactured sugar; the retail sale or use of diesel fuel and special motor fuels; the sale of gasoline, tread rubber, or the sale or lease of tires or inner tubes, by the manufacturer, producer, or importer thereof; and the sale of lubricating oils by the manufacturer or producer thereof. The rates of tax not shown on the face of the form follow:

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 per gallon if sold for use or used as a fuel in a highway vehicle, except that the tax is 2 cents per gallon if sold for use or used in a highway vehicle (A) which, at the time of such 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 per gallon rate, an additional tax of 2 cents per gallon is imposed on the user if such fuel is used in a highway vehicle (A) which, at the time of such 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) Special motor fuels, sold for use or used as a fuel for the propulsion of a motorboat, airplane, or motor vehicle other than a highway vehicle, 2 cents per gallon.

LAMINATED TIRES

Laminated tires: Laminated tires (not of the type used on highway vehicles) which consist wholly of scrap rubber from used tire casings with an internal metal fastening agent.

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