

# 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) . . . . . \_\_\_\_\_

### Record of Federal Tax Deposits

Serial No. of Form 504	Date of Deposit	Amount
		\$ _____
		_____
		_____
		_____
		_____
		_____
		_____
		_____
		_____

**New special deposit requirement.**—Every person whose excise tax liability for a calendar quarter (reduced by any monthly or semimonthly deposits for the quarter) is more than \$100, must deposit the unpaid balance on or before the last day of the month (second month for communications or transportation taxes) following the quarter for which the return is required to be filed. Deposits of \$100 or less are permissible but not required.

If you are required to make a special deposit, this amount plus amounts previously deposited during the quarter should equal the tax reported on line 3.

4. Total taxes deposited with Forms 504. . . . . \$ \_\_\_\_\_
5. Balance due, if any (Item 3 minus Item 4) Pay 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.

For Internal Revenue Service use

T . . . . \$ \_\_\_\_\_

P . . . . \_\_\_\_\_

D . . . . \_\_\_\_\_

I . . . . \_\_\_\_\_

Total. \$ \_\_\_\_\_

\_\_\_\_\_  
 (Signature) Title (Owner, president, partner, etc.) Date

**IMPORTANT.**—If you are no longer subject to the excise taxes listed below, please write "Final" here ▶ and return the form to your Internal Revenue Service Office.

FACILITIES AND SERVICES				PRODUCTS AND COMMODITIES				
	Rate	TAX	IRS No.		Rate	TAX	IRS No.	
Club dues, initiation fees, life memberships . . . . .	(1)	_____	21	Sugar . . . . .	(1)	_____	60	
Toll telephone service . . . . .	10%	_____	22	Diesel fuel and special motor fuels . . . . .	(1)	_____	61	
Teletypewriter exchange service . . . . .		_____		26	Gasoline . . . . .	4¢ gal.	_____	62
Local telephone service . . . . .		_____			Lubricating oil . . . . .	6¢ gal.	_____	63
Transportation of persons by air . . . . .	5%	_____	30	Tires { highway vehicle type . . . . .	10¢ lb.	_____	66	
Policies issued by foreign insurers . . . . .	(1)	_____	32	{ laminated . . . . .	1¢ lb.	_____		
<b>MANUFACTURERS</b>	10%	_____	33	{ other . . . . .	5¢ lb.	_____		
Pistols and revolvers . . . . .	10%	_____	34	Inner tubes . . . . .	10¢ lb.	_____	67	
Truck, bus and trailer chassis and bodies; tractors . . . . .	10%	_____	48	Tread rubber (camelback) . . . . .	5¢ lb.	_____	68	
Other auto chassis and bodies, etc. . . . .	7%	_____	41					
Parts or accessories for trucks, etc. . . . .	8%	_____	46					
Fishing rods, etc., and artificial lures, etc. . . . .	10%	_____						
Firearms, shells, and cartridges . . . . .	11%	_____						
				TOTAL TAX (Enter in Item 1 above) . . . . .		\$ _____		

<sup>1</sup> See instructions.

**U.S. TREASURY DEPARTMENT**  
 Internal Revenue Service  
 OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
 INTERNAL REVENUE SERVICE

Your name, address, employer identification number and calendar quarter of return. (If not correctly printed please change) ▶

Quarter ending \_\_\_\_\_

Employer Identification No. \_\_\_\_\_

Postmaster: If undeliverable treat in accordance with Section 355.56 of Postal Manual.

**PLEASE RETURN THIS FORM TO YOUR INTERNAL REVENUE SERVICE OFFICE**  
 (See instructions on "Where to file")

# 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 non-preaddressed 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.

**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.

(Continued on reverse of your copy)

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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) . . . . . \_\_\_\_\_

### Record of Federal Tax Deposits

Serial No. of Form 504	Date of Deposit	Amount
		\$ _____

**New special deposit requirement.**—Every person whose excise tax liability for a calendar quarter (reduced by any monthly or semimonthly deposits for the quarter) is more than \$100, must deposit the unpaid balance on or before the last day of the month (second month for communications or transportation taxes) following the quarter for which the return is required to be filed. Deposits of \$100 or less are permissible but not required.

If you are required to make a special deposit, this amount plus amounts previously deposited during the quarter should equal the tax reported on line 3.

4. Total taxes deposited with Forms 504 . . . . . \$ \_\_\_\_\_
5. Balance due, if any (Item 3 minus Item 4) Pay to "Internal Revenue Service" . . . . . \$ \_\_\_\_\_

FACILITIES AND SERVICES			Rate	TAX	IRS No.	PRODUCTS AND COMMODITIES			Rate	TAX	IRS No.
Club dues, initiation fees, life memberships . . . . .	(1)				21	Sugar . . . . .	(1)				60
Toll telephone service . . . . .	10%				22	Diesel fuel and special motor fuels . . . . .	(1)				61
Teletypewriter exchange service . . . . .					26	Gasoline . . . . .	4¢ gal.				62
Local telephone service . . . . .						Lubricating oil . . . . .	6¢ gal.				
Transportation of persons by air . . . . .	5%				30						
Policies issued by foreign insurers . . . . .	(1)				32	Tires { highway vehicle type . . . . .	10¢ lb.				66
<b>MANUFACTURERS</b>					33	laminated . . . . .	1¢ lb.				
Pistols and revolvers . . . . .	10%					other . . . . .	5¢ lb.				
Truck, bus and trailer chassis and bodies; tractors . . . . .	10%				34	Inner tubes . . . . .	10¢ lb.				67
Other auto chassis and bodies, etc. . . . .	7%				48	Tread rubber (camelback) . . . . .	5¢ lb.				68
Parts or accessories for trucks, etc. . . . .	8%				41						
Fishing rods, etc., and artificial lures, etc. . . . .	10%				46	TOTAL TAX (Enter in Item 1 above) . . . . .			\$		
Firearms, shells, and cartridges . . . . .	11%					<sup>1</sup> See instructions.					

# YOUR COPY

## PAYMENT OF TAX

Every taxpayer who is liable in any calendar quarter for more than \$100 of excise taxes is required to make semimonthly, monthly or quarterly deposits of such taxes with an authorized commercial bank depository or a Federal Reserve Bank, in accordance with specific instructions below.

Every taxpayer who is liable for \$100 or less of taxes for a calendar quarter, or whose total taxes for a calendar quarter exceeds the amounts deposited for the quarter by \$100 or less must either remit the unpaid taxes with his quarterly return or deposit the unpaid amount with an authorized bank or Federal Reserve Bank.

## DEPOSIT REQUIREMENTS

**Monthly deposits.**—If a person is liable in any month (except the last month of a calendar quarter), for more than \$100 of taxes reportable on Form 720, the amount must be deposited on or before the last day of the next month.

**Semimonthly deposits.**—If a person had more than \$2,000 in excise tax liability for any month of a calendar quarter, his taxes for the following calendar quarter (regardless of amount) must be deposited on a semimonthly basis as follows:

- (A) If the amount is for transportation or communications taxes, it must be deposited within three banking days after the close of the semimonthly period for which it was collected. A "semimonthly period" means the first 15 days of a calendar month or the part of the month after the 15th day.
- (B) If the amount is for tax on sugar manufactured in the United States or on policies issued by foreign insurers, it must be deposited:
  - a. On or before the first day of the next month if the tax is for the first semimonthly period of a month, and
  - b. On or before the 15th day of the next month if the tax is for the second semimonthly period of a month.
- (C) If the amount is for taxes other than those described above in (A) or (B) it must be deposited on or before the last day of the semimonthly period following the semimonthly period for which it is reportable.

Semimonthly deposit requirements are met (for taxes other than on sugar manufactured in the United States and on policies issued by foreign insurers) if the amount deposited for each semimonthly period:

- (1) is not less than 90% of the total tax collected during (or reportable for) the period; and any underpayment for a semimonthly period in a month other than the third month of a quarter is deposited by the last day of the following month; *or*
- (2) in the month is not less than 45% of the total tax collected during (or reportable for) the month; and any underpayment for a month other than the third month of a quarter is deposited by the last day of the following month; *or*
- (3) in the month is not less than 50% of the total tax collected during (or reportable for) the preceding calendar month; and any underpayment for a month other than the third month of a quarter is deposited by the last day of the following month.

The percentages specified above in (1), (2), or (3) also apply to taxes on sugar manufactured in the United States and on policies issued by foreign insurers, but the time for depositing any underpayment differs. For these taxes, any underpayment for a month other than the third month of a quarter must be deposited by the first day of the second month following the month in which the underpayment occurred.

- Notes:**
- (1) A person who uses options 2 or 3 to make deposits is not required to keep his books and records on a semimonthly basis.
  - (2) Options 2 or 3 may not be used if more than 75% of the transportation or communications taxes is collected or if more than 75% of the monthly liability for other taxes is incurred in the first semimonthly period in each month.

**Special deposits.**—Every person, whose excise tax liability for a quarter (reduced by any monthly or semimonthly deposits for the quarter) is more than \$100, must deposit the unpaid balance on or before the last day of the month following the quarter for which the return is required to be filed. If, however, the unpaid balance is for communications or transportation taxes only, the unpaid balance must be deposited on or before the last day of the second month following the quarter for which the return is required to be filed. Deposits of \$100 or less are permissible but not required.

**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.

The tax 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.

**Federal Tax Deposit Form 504.**—All excise taxes reportable on Form 720, must be deposited in an authorized local bank or a Federal Reserve Bank with Federal Tax Deposit Form 504 except in those cases where the excess of the total liability for any calendar quarter less the amount of taxes previously deposited is \$100 or less. Taxpayers paying a tax for the first time or needing additional forms, should apply to the District Director, or the Director of a Service Center for their area, in time to make the required deposits. Any tax due which is not deposited must be remitted with the return.

## QUARTERLY RETURNS AND DUE DATES

A return must be filed for each quarter of the calendar year as follows:

<i>Quarter covered</i>	<i>All excise taxes other than trans. &amp; comm. due on or before</i>	<i>Trans. &amp; comm. due on or before</i>
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

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 shows 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 3.

## WHERE TO FILE

Taxpayers whose principal place of business or principal office or agency is located in the North Atlantic Region (Maine, Massachusetts, Vermont, Connecticut, New Hampshire, Rhode Island, and New York) or Mid-West Region (Illinois, Iowa, South Dakota, North Dakota, Wisconsin, Nebraska, Missouri, and Minnesota) should file their returns with the District Director of Internal Revenue for the district in which the business is located. Other returns should be filed with the Internal Revenue Service Centers as listed below:

<i>If your principal place of business is located in any of the following States</i>	<i>Use this mailing address</i>
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4800 Buford Highway Chamblee, Ga. 30006
Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center 3651 Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 Interregional Highway Austin, Tex. 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South St. Ogden, Utah 84405

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.