



# Instructions for Form 6627

(Revised July 1993)

## Environmental Taxes

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

**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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 21 hr., 2 min.;

**Learning about the law or the form**, 6 min.; **Preparing, copying, assembling, and sending the form to the IRS**, 26 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for **Form 720**, Quarterly Federal Excise Tax Return.

### A Change To Note

The domestic petroleum oil spill tax (IRS No. 18) and the imported petroleum products oil spill tax (IRS No. 21) have been suspended as of July 1, 1993. We have deleted the lines for these taxes from Form 6627.

### General Instructions

**Purpose of Form.**—Use this form to figure the environmental tax on petroleum, chemicals (other than ozone-depleting chemicals (ODCs)), imported chemical substances, ODCs, imported products containing ODCs, and floor stocks tax on ODCs. If additional lines are needed 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 1993, for more information on environmental taxes. See the separate instructions for Form 720 for information on when and where to file these forms.

#### Who Must File

For petroleum—

1. The operator of the refinery;
2. The importer of petroleum products; or
3. The person who uses or exports crude oil before the tax is imposed.

For chemicals—The manufacturer or importer of chemicals who sells or uses those chemicals.

For imported chemical substances—The importer of substances who sells or uses those substances.

For ozone-depleting chemicals—

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, 1993.

### Specific Instructions

#### Part I—Tax on Petroleum

Fractional barrels are taxed at a proportionate rate using the fraction produced by the number of gallons involved over 42 gallons and then applying the fraction against the tax per barrel.

#### Part III—Tax on Imported Chemical Substances

The following imported chemical substances are taxable:

2-ethyl hexanol	methyl chloroform
2-ethylhexyl acrylate	methyl isobutyl ketone
acetone	methylene chloride
acrylic and methacrylic acid resins	nickel oxide
acrylonitrile	nickel powders
alpha-methylstyrene	nickel waste and scrap
ammonium nitrate	normal butyl acetate
bisphenol-A	normal propyl acetate
butyl acrylate	perchloroethylene
carbon tetrachloride	phenolic resins
chloroform	phthalic anhydride
chromic acid	polyalphaolefins
cumene	polybutadiene
cyclohexane	polyethylene resins (total)
decabromodiphenyl oxide	polyethylene terephthalate pellets
ethyl acrylate	polypropylene
ethyl alcohol for nonbeverage use	polypropylene resins
ethyl dibromide	polystyrene
ethyl methyl ketone	homopolymer resins
ethylbenzene	polystyrene resins and copolymers
ethylene dichloride	polyvinylchloride resins
ethylene glycol	propylene glycol
ethylene oxide	propylene oxide
ferrochrome ov 3 pct. carbon	styrene
ferrochromium nov 3 pct.	styrene-butadiene (latex)
ferronickel	styrene-butadiene (nspf)
formaldehyde	synthetic rubber (not containing fillers)
	tetrabromobisphenol-A

hydrogen peroxide  
isobutyl acetate  
isophthalic acid  
isopropyl acetate  
isopropyl alcohol  
linear alpha olefins  
maleic anhydride  
melamine  
methanol  
methyl acrylate

trichloroethylene  
unwrought nickel  
urea  
vinyl acetate  
vinyl chloride  
vinyl resins  
vinyl resins (nspf)  
wrought nickel  
rods and wire

**Note:** At the time these instructions went to print, the IRS had not made final determinations on other substances that may be added to the list.

The imported chemical substance tax is equal to the chemical tax that would have been imposed on the taxable chemicals (listed in Part II, Form 6627) used as materials in the manufacture of the substance if such substance had been manufactured in the United States. The tax is calculated by determining the number of tons of each taxable chemical used in the manufacture of 1 ton of the substance (the conversion factor), or by determining the percentage of taxable metal in the substance.

If you do not have sufficient information to provide the conversion factor or the percentage of metal, then the tax is 5% of the entry value of the substance.

**Lines 1-3, column (a).**—Enter the imported chemical substance. See the list of substances above.

**Lines 1-3, column (c).**—Enter each taxable chemical that is used in the manufacture of the substance.

**Lines 1-3, column (d).**—Enter the conversion factor for the chemical, the percentage of metal, or the entry value of the total amount of substance imported.

**Lines 1-3, column (e).**—Enter the tax rate of the chemical (from Part II, Form 6627) or enter 5% if you are figuring the tax based on the entry value.

**Lines 1-3, column (f).**—Enter the tax due by multiplying the number of tons in column (b) by the percentage or factor in column (d) by the rate in column (e) for each chemical listed. If you are using the entry value to determine the tax, multiply the entry value in column (d) by the rate (5%) in column (e).

**Line 4, column (f).**—Add the amounts on lines 1 through 3, column (f) (and any additional amounts from continuation sheets). Enter the total on line 4, column (f) and also on the line for IRS No. 17 on Form 720.

## Part IV—Tax on Ozone-Depleting Chemicals

**Ozone-Depleting Chemicals (IRS No. 98).**—The following ozone-depleting chemicals are taxable.

Ozone-Depleting Chemicals:	Tax Per Pound in 1993
CFC-11 . . . . .	\$3.35
CFC-12 . . . . .	3.35
CFC-113 . . . . .	2.68
CFC-114 . . . . .	3.35
CFC-115 . . . . .	2.01
Halon-1211 . . . . .	0.2502
Halon-1301 . . . . .	0.2512
Halon-2402 . . . . .	0.2492
Carbon tetrachloride . . . . .	3.685
Methyl chloroform . . . . .	0.2111
CFC-13 . . . . .	3.35
CFC-111 . . . . .	3.35
CFC-112 . . . . .	3.35
CFC-211 . . . . .	3.35
CFC-212 . . . . .	3.35
CFC-213 . . . . .	3.35
CFC-214 . . . . .	3.35
CFC-215 . . . . .	3.35
CFC-216 . . . . .	3.35
CFC-217 . . . . .	3.35

ODCs used in the manufacture of rigid foam insulation are taxable at the rate of \$0.2499 per pound.

ODCs used as medical sterilants and ODCs used as propellants in metered-dose inhalers are taxable at the rate of \$1.67 per pound.

**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 contained 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 contained in the mixture.

**Post-1989 ODCs (the 1990 election).**—This election applies to any mixture sold or used after 1989, including any mixture created before 1990, and the tax on the post-1989 ODCs contained 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 IV, Form 6627, under **Elections**. The election may be revoked only with the consent of the IRS. The post-1989 ODCs are CFC-11, CFC-12, CFC-113, CFC-114, CFC-115, Halon-1211, Halon-1301, and Halon-2402.

**Post-1990 ODCs (the 1991 election).**—This election applies to any mixture sold or used after 1990, including any mixture created before 1991, and 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 IV, Form 6627, under **Elections**. This election may be revoked only with the consent of the IRS. The post-1990 ODCs are carbon tetrachloride, methyl chloroform, CFC-13, CFC-111, CFC-112, CFC-211, CFC-212, CFC-213, CFC-214, CFC-215, CFC-216, and CFC-217.

**Lines 1-3, column (c).**—Enter the tax from the chart above.

**Line 4, column (d).**—Add lines 1 through 3, column (d) (and any additional amounts from continuation sheets). Enter the total on line 4, column (d) and also on the line for IRS No. 98 on Form 720.

## Part V—Tax on Imported Products Containing ODCs

**Imported Taxable Products (IRS No. 19).**—A product is an imported taxable product only if it is listed in the imported products table issued by the IRS. See 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 at the time 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 at the time the election becomes effective and to all products entered into the United States by the importer after the election becomes effective. If an election applies to an imported taxable product entered into the United States after 1989, tax is imposed on the product on the date of entry. This election is made by checking the box in Part V, Form 6627, under **Election**. The election may be revoked only with the consent of the IRS.

**Figuring the ODC Weight.**—The ODC weight is figured as follows:

**1. 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.

**2. 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 indicated in the table.

**Lines 1-3, column (a).**—Enter the imported product and also enter the applicable ODC. Use additional lines if there is more than one ODC.

**Lines 1-3, column (b).**—Enter the number of taxable products imported.

**Lines 1-3, column (c).**—Enter the ODC weight of the product. Do not complete this line if you are using the value method.

**Lines 1-3, column (d).**—Enter the tax per pound from the chart in the instructions for Part IV on this page, or 1% if you are using the value method.

**Lines 1-3, 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.

**Lines 1-3, column (f).**—Enter 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%) in column (d) by the entry value in column (e).

**Line 4, column (f).**—Add lines 1 through 3, column (f) (and any additional amounts from continuation sheets). Enter the total on line 4, column (f) and also on the line for IRS No. 19 on Form 720.

## Part VI—Tax on Floor Stocks of ODCs

**Floor Stocks Tax (IRS No. 20).**—The floor stocks tax for 1993 is imposed on the following ODCs.

Ozone-Depleting Chemicals:	Tax Per Pound in 1993
CFC-11 . . . . .	\$ 1.68
CFC-12 . . . . .	1.68
CFC-113 . . . . .	1.344
CFC-114 . . . . .	1.68
CFC-115 . . . . .	1.008
Carbon tetrachloride . . . . .	2.178
Methyl chloroform . . . . .	0.0741
CFC-13, CFC-111, CFC-112, CFC-211 through CFC-217 . . . . .	1.98

**Caution:** *You are not liable for the floor stocks tax if you hold less than 400 pounds of ODCs to which the floor stocks tax applies. There is no floor stocks tax on halons or on ODCs held for use in the manufacture of rigid foam insulation, as medical sterilants, or as propellants in metered-dose inhalers in 1993.*

The tax is reported on Form 6627 and Form 720 for the second quarter of 1993. Payment of the tax is due by June 30, 1993.

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

**Line 4, column (d).**—Add the amounts on lines 1 through 3, column (d) (and any additional amounts from continuation sheets). Enter the total on line 4, column (d) and also on the line for IRS No. 20 on Form 720.