

Gas Guzzler Tax

▶ **Attach to Form 720.**

▶ **See instructions on back.**

Name (as shown on Form 720)	Employer identification number	Quarter ending
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Part I **Computation of Tax**

Line number	If the fuel economy (mpg) of the automobile model type is:			(d) Number of cars sold	(e) Tax due (multiply column (c) by column (d))	Line number	If the fuel economy (mpg) of the automobile model type is:			(d) Number of cars sold	(e) Tax due (multiply column (c) by column (d))
	(a) At least	(b) But less than	(c) Tax rate				(a) At least	(b) But less than	(c) Tax rate		
1	22.5	—	\$0			7	16.5	17.5	3,000		
2	21.5	22.5	1,000			8	15.5	16.5	3,700		
3	20.5	21.5	1,300			9	14.5	15.5	4,500		
4	19.5	20.5	1,700			10	13.5	14.5	5,400		
5	18.5	19.5	2,100			11	12.5	13.5	6,400		
6	17.5	18.5	2,600			12	—	12.5	7,700		
13 Total tax due for the quarter. Add lines 2–12 in column (e). Enter here and on Form 720 on the line for IRS No. 40											

Part II **Identification of Models Subject to Gas Guzzler Tax**

Line no. from above	Fuel economy rating	No. of vehicles	Make, model name, and model year

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** 4 hr., 18 min.
- Learning about the law or the form** 12 min.
- Preparing and sending the form to the IRS** 17 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.

Change To Note

The form has been revised to eliminate the separate columns for each quarter. Only columns (d) and (e) are completed in Part I each quarter.

General Instructions

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

Purpose of Form.—Use Form 6197 to figure the gas guzzler tax. The gas guzzler tax is imposed on the sale or use by the manufacturer or importer of an automobile of a model type that does not meet certain standards for fuel economy. Automobiles imported for business or personal use are subject to the tax. The tax liability is figured each quarter and reported on Form 720.

Attach Form 6197 each quarter to Form 720. See the separate instructions for Form 720 for information on where to file this form and how to make deposits.

If you import an automobile for personal use, you may be eligible to make a one-time filing for which no deposit is required. See **Special Rules—One-Time Filings** for more information.

Sale includes the manufacturer’s first use of an automobile or first lease of an automobile. For rules on paying the tax in the case of a first lease, see section 4217(e)(2).

Manufacturer includes a producer or importer. Automobiles imported for business or personal use are subject to the tax. The lengthening of existing automobiles, to make a stretch limousine for example, is considered a manufacture.

Automobile means any four-wheeled vehicle rated at 6,000 pounds unloaded gross weight or less that is propelled by an engine powered by gasoline or diesel fuel and is intended for use mainly on public streets, roads, and highways. Included are limousines regardless of their weight.

Automobile does not include vehicles operated exclusively on a rail or rails; vehicles sold for use and used (1) as ambulances or combination ambulance-hearses, (2) as Federal, state, or local police or other law enforcement vehicles, and (3) for firefighting purposes; or nonpassenger automobiles as defined in 49 CFR 523.5 (1978).

Fuel economy means the average number of miles an automobile travels on a gallon of gasoline (or an equivalent amount of other fuel) as determined by the Environmental Protection Agency (EPA).

Model type means a particular class of automobile as determined by EPA regulations.

Instructions for Part I

Lines 2-12, column (d).—Enter the number of automobiles sold, used, or leased in each rating category in column (d). If you sold two or more different models in a rating category during a quarter, add the number sold for each different model and enter the total in column (d).

Example: In the second quarter of 1993, B, a manufacturer, sold six Model X cars that have an EPA rating of 20 miles per gallon and eight Model Y cars that have an EPA rating of 19.7 miles per gallon. B would enter 14 on line 4, column (d).

Lines 2-12, column (e).—Multiply the tax rate in column (c) by the number of vehicles sold, used, or leased in column (d) and enter the total in column (e). Using the above example, B would multiply \$1,700 in column (c) by the 14 cars sold in column (d) for a tax of \$23,800. This tax would be entered on line 4, column (e).

Line 13, column (e).—Add the amounts on lines 2–12 and enter the total on line 13, column (e). Using the above example, there is only one entry on lines 2–12. B would enter the \$23,800 on line 13, column (e), and also would enter it on the line for IRS No. 40 on the second quarter Form 720.

Instructions for Part II

For each different model sold during a quarter, enter the line number it is reported on, the fuel economy rating, the number of vehicles sold, and the make, model name, and model year. If you need additional space, attach a schedule in the same format as Part II. Using the above example, B would make one entry for the six Model X cars and a separate entry for the eight Model Y cars in Part II.

Special Rules—One-Time Filings

If you import an automobile for personal use, you may be eligible to make a one-time filing of Form 6197 and Form 720. You may make a one-time filing to report the gas guzzler tax if you meet all three of the following conditions:

1. You do not use the automobile in the course of any trade or business;
2. You do not import gas guzzling automobiles in the course of your trade or business; and
3. You are not required to file Form 720 reporting excise taxes for the calendar quarter, except for one-time filings.

The following rules apply if you are making a one-time filing:

1. File the return for the quarter in which you incur liability for the tax. Generally, the due dates of Form 720 and Form 6197 are:

1st quarter	April 30
2nd quarter	July 31
3rd quarter	October 31
4th quarter	January 31

2. Pay the tax with the return.

Example: In August 1993, A, an individual, imports a car into the United States and uses it for personal use. The car has a fuel economy rating of 15 miles per gallon, so A is liable for the gas guzzler tax. A does not use the automobile in the course of any trade or business, does not import gas guzzling automobiles in the course of his or her trade or business, and is not otherwise required to file a Form 720 for the calendar quarter. Therefore, A’s filing of Forms 720 and 6197 for the third quarter of 1993 is a one-time filing. A does not have to deposit the gas guzzler tax of \$4,500. Instead, A pays with the return. A checks the final return or one-time filing box on Form 720. The due date for A’s filing of Forms 720 and 6197 is November 1, 1993.