

Part III. Administrative, Procedural, and Miscellaneous

Tax on Certain Imported Substances; Notice of Determination

Notice 96-28

This notice announces a determination, under Notice 89-61, 1989-1 C.B. 717, that the list of taxable substances in § 4672(a)(3) will be modified to include butyl benzyl phthalate. This modification is effective April 1, 1991.

Background

Under § 4672(a), an importer or exporter of any substance may request that the Secretary determine whether that substance should be listed as a taxable substance. The Secretary shall add the substance to the list of taxable substances in § 4672(a)(3) if the Secretary determines that taxable chemicals constitute more than 50 percent of the weight, or more than 50 percent of the value, of the materials used to produce the substance. This determination is to be made on the basis of the predominant method of production. Notice 89-61, sets forth the rules relating to the determination process.

Determination

On March 22, 1996, the Secretary determined that butyl benzyl phthalate should be added to the list of taxable substances in § 4672(a)(3), effective April 1, 1991.

The rate of tax prescribed for butyl benzyl phthalate, under § 4671(b)(3), is \$5.54 per ton. This is based upon a conversion factor for methane of 0.05, a conversion factor for propylene of 0.17, a conversion factor for xylene of 0.47, a conversion factor for toluene of 0.32, and a conversion factor for chlorine of 0.26.

The petitioner is Monsanto Company, a manufacturer and exporter of this substance. No material comments were received on this petition. The following information is the basis for the determination.

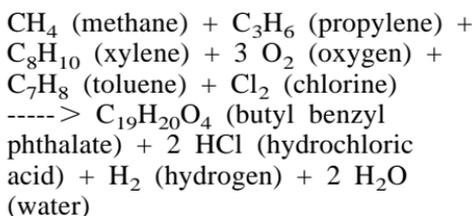
HTS number: 2917.39.2000

CAS number: 85-68-7

Butyl benzyl phthalate is derived from the taxable chemicals methane, propylene, xylene, toluene, and chlo-

rine and is a liquid produced predominantly by the reaction of n-butanol and phthalic anhydride, followed by a reaction with benzyl chloride in the presence of a catalyst. n-butanol is manufactured by the hydrogenation of n-butyraldehyde, which is derived from propylene and synthesis gas (hydrogen and synthesis gas are derived from natural gas). Benzyl chloride is produced by direct photochemical chlorination of toluene. Phthalic anhydride is produced by the reaction of o-xylene with air in the presence of a catalyst.

The stoichiometric material consumption formula for this substance is:



Butyl benzyl phthalate has been determined to be a taxable substance because a review of its stoichiometric material consumption formula shows that, based on the predominant method of production, taxable chemicals constitute 77.25 percent by weight of the materials used in its production.

The principal author of this notice is Ruth Hoffman, Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice contact Ruth Hoffman on (202) 622-3130 (not a toll-free number).