Department of the Treasury
Internal Revenue Service

Instructions for Form 6627

(Revised January 1995)

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 times are: **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 simpler, we would be happy to hear from you. You can write to the IRS at the address listed in the instructions for **Form 720,** Quarterly Federal Excise Tax Return.

Changes To Note

1. The 5-cent-per-barrel oil spill tax portion of the combined rate for domestic petroleum (IRS No. 53) and imported petroleum products (IRS No. 16) expired after December 31, 1994. Therefore, the rate shown in Part I (Form 6627) has been reduced to 9.7 cents per barrel.

2. The tax rates for ozone-depleting chemicals (ODCs) in Parts IV and V (Form 6627) increased for 1995. See the listing on page 3.

3. The tax rates on floor stocks of halons and methyl chloroform decreased for 1995. See the listing on page 4.

4. The tax rates for imported chemical substances with an effective date of April 1, 1990, and later, are shown in the chart on page 2.

General Instructions

Purpose of Form

Use this form to figure the environmental tax on petroleum and imported petroleum products, chemicals (other than ozone-depleting chemicals (ODCs)), imported chemical substances, ODCs, imported products that used ODCs as materials in the manufacture or production of the product, and the floor stocks tax on ODCs. If you need more lines 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 1995, 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, 1995.

Specific Instructions

Part III—Tax on Imported Chemical Substances

Initial list, effective January 1, 1989:

acetone
acrylic and methacrylic acid resins
acrylonitrile
ammonium nitrate
carbon tetrachloride
chloroform
chromic acid
cumene
cyclohexane
ethyl alcohol for nonbeverage use
ethyl methyl ketone
ethylbenzene
ethylene dichloride
ethylene glycol
ethylene oxide
ferrochrome ov 3 pct. carbon
ferrochromium nov 3 pct.
ferronickel
formaldehyde
hydrogen peroxide
isophthalic acid
isopropyl alcohol
maleic anhydride
melamine
methanol
methylene chloride
nickel oxide
nickel powders
nickel waste and scrap
phenolic resins
phthalic anhydride
polybutadiene
polyethylene resins (total)
polypropylene
polypropylene resins
polystyrene homopolymer resins
polystyrene resins and copolymers
polyvinylchloride resins
propylene glycol
propylene oxide
styrene
styrene-butadiene (latex)
styrene-butadiene (nspf)
synthetic rubber (not containing fillers)
unwrought nickel
urea
vinyl chloride
vinyl resins
vinyl resins (nspf)
wrought nickel rods and wire

	Imported Chemical Substance (items added subsequent to initial list)	Rate/ Ton	Effective Date
	1,4 butanediol	4.20	10/1/94
	1,3-butylene glycol	4.89	7/1/90
	2-ethyl hexanol	3.90	7/1/90
	2-ethylhexyl acrylate	5.08	7/1/90
	2,2,4-trimethyl-1,3-pentanediol disobutyrate	5.44	4/1/91
	2,2,4-trimethyl-1,3-pentanediol monoisobutyrate	3.60	4/1/91
	acetic acid	1.27	7/1/90
	acetylene black	5.50	10/1/91
	adipic acid	4.03	7/1/90
	allyl chloride	6.45	10/1/92
	alpha-methylstyrene	4.96	7/1/90
	aniline	4.44	1/1/93
	benzaldehyde	4.22	7/1/93
	benzoic acid	3.67	7/1/93
	bisphenol-A	5.11	7/1/90
	butanol	3.31	10/1/90
	butyl acrylate	4.38	7/1/90
	decabromodiphenyl oxide	7.41	7/1/90
	di-2-ethyl hexyl phthalate	3.42	10/1/93
	di-n-hexyl adipate	4.67	10/1/90
	dimethyl terephthalate	3.23	4/1/92
*	**dimethyl-2, 6-naphthalene dicarboxylate**	**5.97**	**4/1/95**
	diphenyl oxide	8.13	4/1/93
	diphenylamine	5.11	1/1/93
	epichlorohydrin	8.58	10/1/92
	ethyl acrylate	3.85	7/1/90
*	**ethyl chloride**	**2.29**	**4/1/94**
	ethylene dibromide	4.51	7/1/90
	formic acid	1.89	7/1/90
	glycerine	9.52	1/1/91
	hexamethylenediamine	3.82	4/1/92
	isobutyl acetate	2.86	7/1/90
	isopropyl acetate	2.34	7/1/90
	linear alpha olefins	4.87	4/1/90
	methyl acrylate	4.29	7/1/90
	methyl chloroform	3.18	7/1/90
	methyl isobutyl ketone	5.72	7/1/90
*	**monochlorobenzene**	**4.22**	**4/1/94**
	normal butyl acetate	2.72	7/1/90
	normal propyl acetate	2.26	7/1/90
	ortho-dichlorobenzene	5.55	10/1/90
	ortho-nitrochlorobenzene	3.89	7/1/90
	paraformaldehyde	2.31	7/1/90
	para-dichlorobenzene	5.55	10/1/90
	para-nitrochlorobenzene	3.89	7/1/90
	para-nitrophenol	4.85	7/1/90
	pentaerythritol	4.66	7/1/90
	perchloroethylene	5.44	7/1/90
	phenol	6.33	1/1/91
*	**phosphorous pentasulfide**	**1.24**	**1/1/95**
*	**phosphorous trichloride**	**3.10**	**1/1/95**
	poly (69/31 ethylene/cyclohexylenedimethylene terephthalate)	3.54	10/1/90
	poly (96.5/3.5 ethylene/cyclohexylenedimethylene terephthalate)	3.41	10/1/90
	poly (98.5/1.5 ethylene/cyclohexylenedimethylene terephthalate)	3.40	10/1/90
	polyalphaolefins	4.85	4/1/90
	polybutene	4.87	1/1/91
	polycarbonate	4.91	7/1/93
	polyethylene terephthalate pellets	3.40	4/1/90
	propanol	2.58	10/1/90
	sodium nitriolotriacetate monohydrate	2.45	4/1/93
	terephthalic acid	3.11	1/1/91
	tetrabromobisphenol-A	5.22	7/1/90
	tetrachlorophthalic anhydride	5.87	4/1/93
	tetrahydrofuran	5.28	10/1/94
*	**texanol benzyl phthalate**	**5.79**	**4/1/94**
	trichloroethylene	3.18	7/1/90
	trimethylolpropane	4.45	7/1/90
	vinyl acetate	2.72	7/1/90

*** New taxable substance added since July 1994 version of Form 6627.**

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.

To figure the tax you will generally need to know **(a)** the number of tons of each taxable chemical used to make 1 ton of the substance (the conversion factor) or **(b)** the percentage of taxable metal in the substance. If the chemical substance is on the initial list (see page 1), and you do not have enough information to determine the conversion factor or the percentage of metal, then the tax is 5% of the entry value of the substance. If the substance is on the subsequent list, then you may use the rates shown on the chart on page 2.

To figure the tax for Part III, lines 1 through 3:

Column (a).—Enter the imported chemical substance from the initial list (page 1) or the subsequent list (page 2).

Column (b).—Enter the number of tons of the substance imported.

Column (c).—Enter each taxable chemical (listed in Part II, Form 6627) used in the manufacture of the substance.

Column (d).—Enter the conversion factor for the taxable chemical, the percentage of metal, or if the chemical substance is from the initial list of substances, the entry value of the total amount of substance imported. If the chemical substance is from the subsequent list and you are using the rate shown in the chart on page 2, leave this column blank.

Column (e).—Enter the tax rate of the chemical from Part II, Form 6627, or 5% if you are figuring the tax based on the entry value and the chemical substance is from the initial list. If the chemical substance is from the subsequent list, enter the rate as shown for the chemical substance.

Column (f).—Multiply the number of tons in column (b) by the factor or percentage in column (d) by the rate in column (e) for each taxable chemical listed. If you use the entry value to figure the tax, multiply the entry value in column (d) by the rate (5%) in column (e). If you use the rates shown in the chart on page 2, multiply column (b) by column (e).

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 1995
CFC-11	$5.35
CFC-12	5.35
CFC-113	4.28
CFC-114	5.35
CFC-115	3.21
Halon-1211	16.05
Halon-1301	53.50
Halon-2402	32.10
Carbon tetrachloride	5.885
Methyl chloroform	0.535
CFC-13	5.35
CFC-111	5.35
CFC-112	5.35
CFC-211	5.35
CFC-212	5.35
CFC-213	5.35
CFC-214	5.35
CFC-215	5.35
CFC-216	5.35
CFC-217	5.35

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 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 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 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.

Part V—ODC Tax on Imported Products

Imported Taxable Products (IRS No. 19).— An imported taxable product is any product entered into the United States for consumption, use, or warehousing if any ozone-depleting chemical was used as material in the manufacture or production of the product. The product must also be listed in the imported products table issued by the IRS. See Pub. 510 and 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 when 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 when the election becomes effective. It also applies to all products the importer enters into the United States 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.

Figure the ODC weight 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 listed.

To figure the tax for Part V, lines 1 through 3:

Column (a).—Enter the imported product and the applicable ODC. Use additional lines if there is more than one ODC.

Column (b).—Enter the number of taxable products imported.

Column (c).—Enter the ODC weight of the product. Do not complete this column if you are using the value method.

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

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.

Column (f).—Figure 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).

Part VI—Tax on Floor Stocks of ODCs

Floor Stocks Tax (IRS No. 20).— The floor stocks tax for 1995 is imposed on the following ODCs.

Ozone-Depleting Chemicals:	**Tax Per Pound in 1995**
CFC-11	$ 1.00
CFC-12	1.00
CFC-113	0.80
CFC-114	1.00
CFC-115	0.60
Halon-1211	3.00*
Halon-1301	10.00*
Halon-2402	6.00*
Carbon tetrachloride	1.10
Methyl chloroform	0.10*
CFC-13, CFC-111, CFC-112, CFC-211 through CFC-217	1.00

* These rates have decreased for 1995.

For 1995, you are liable for the floor stocks tax if on January 1 you hold any of the following:

1. At least 400 pounds of ODCs subject to the floor stocks tax and not described in item **2** or **3** below,

2. At least 50 pounds of halons, or

3. At least 1,000 pounds of methyl chloroform.

Report the tax on Form 6627 and Form 720 for the second quarter of 1995. Payment of the tax is due by June 30, 1995.

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