Form **720** (Rev. April 2013)
Department of the Treasury Internal Revenue Service

Quarterly Federal Excise Tax Return

▶ See the Instructions for Form 720.
▶ Information about Form 720 and its separate instructions is at *www.irs.gov/form720.*

OMB No. 1545-0023

Check here if:
☐ Final return
☐ Address change

Name: Sample Company
Quarter ending: 12/31/12
Number, street, and room or suite no. (If you have a P.O. box, see the instructions.): 10 Main Street
Employer identification number: 23-1452635
City, state, and ZIP code. (If you have a foreign address, see the instructions.): Philadelphia, PA 19103

FOR IRS USE ONLY	
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Part I

IRS No.	Environmental Taxes (attach Form 6627)	Tax	IRS No.
18	Domestic petroleum oil spill tax		18
21	Imported petroleum products oil spill tax		21
98	Ozone-depleting chemicals (ODCs)		98
19	ODC tax on imported products		19
	Communications and Air Transportation Taxes (see instructions)	Tax	
22	Local telephone service and teletypewriter exchange service		22
26	Transportation of persons by air		26
28	Transportation of property by air		28
27	Use of international air travel facilities		27

IRS No.	**Fuel Taxes**	Number of gallons	Rate	Tax	IRS No.
60	(a) Diesel, tax on removal at terminal rack		$.244		
	(b) Diesel, tax on taxable events other than removal at terminal rack		.244		60
	(c) Diesel, tax on sale or removal of biodiesel mixture other than removal at terminal rack		.244		
104	Diesel-water fuel emulsion		.198		104
105	Dyed diesel, LUST tax		.001		105
107	Dyed kerosene, LUST tax		.001		107
119	LUST tax, other exempt removals (see instructions)		.001		119
35	(a) Kerosene, tax on removal at terminal rack (see instructions)		.244		
	(b) Kerosene, tax on taxable events other than removal at terminal rack		.244		35
69	Kerosene for use in aviation (see instructions)		.219		69
77	Kerosene for use in commercial aviation (other than foreign trade)		.044		77
111	Kerosene for use in aviation, LUST tax on nontaxable uses		.001		111
79	Other fuels (see instructions)				79
62	(a) Gasoline, tax on removal at terminal rack		.184		
	(b) Gasoline, tax on taxable events other than removal at terminal rack		.184		62
13	Any liquid fuel used in a fractional ownership program aircraft		.141		13
14	Aviation gasoline		.194		14
112	Liquefied petroleum gas (LPG)		.183		112
118	"P Series" fuels		.184		118
120	Compressed natural gas (CNG) (GGE = 126.67 cu. ft.)		.183		120
121	Liquefied hydrogen		.184		121
122	Fischer-Tropsch process liquid fuel from coal (including peat)		.244		122
123	Liquid fuel derived from biomass		.244		123
124	Liquefied natural gas (LNG)		.243		124
33	**Retail Tax**—Truck, trailer, and semitrailer chassis and bodies, and tractors		12% of sales price		33

IRS No.	**Ship Passenger Tax**	Number of persons	Rate	Tax	IRS No.
29	Transportation by water		$3 per person		29
	Other Excise Tax	Amount of obligations	Rate	Tax	
31	Obligations not in registered form		$ .01		31
	Foreign Insurance Taxes— Policies issued by foreign insurers	Premiums paid	Rate	Tax	IRS No.
30	Casualty insurance and indemnity bonds		$ .04		
	Life insurance, sickness and accident policies, and annuity contracts		.01		30
	Reinsurance		.01		

IRS No.	Manufacturers Taxes	Number of tons	Sales price	Rate	Tax	IRS No.
36	Coal—Underground mined			$1.10 per ton		36
37				4.4% of sales price		37
38	Coal—Surface mined			$ .55 per ton		38
39				4.4% of sales price		39
				Number of tires	Tax	IRS No.
108	Taxable tires other than bias ply or super single tires					108
109	Taxable bias ply or super single tires (other than super single tires designed for steering)					109
113	Taxable tires, super single tires designed for steering					113
40	Gas guzzler tax. Attach Form 6197. Check if one-time filing . . . . ☐					40
97	Vaccines (see instructions)					97
			Sales price			
136	Taxable medical devices			2.3% of sales price		136
1	**Total.** Add all amounts in Part I. Complete Schedule A unless one-time filing ▶				$	

Part II

IRS No.	**Patient-Centered Outcomes Research Fee** (see instructions)	(a) Avg. number of lives covered	(b) Rate for avg. covered life	Col. (a) x Col. (b)	Tax	IRS No.
133	Specified health insurance policies		$1.00			
	Applicable self-insured health plans	75	$1.00	75	75	133

IRS No.		Number of gallons	Rate	Tax	IRS No.
41	Sport fishing equipment (other than fishing rods and fishing poles)		10% of sales price		41
110	Fishing rods and fishing poles (limits apply, see instructions)		10% of sales price		110
42	Electric outboard motors		3% of sales price		42
114	Fishing tackle boxes		3% of sales price		114
44	Bows, quivers, broadheads, and points		11% of sales price		44
106	Arrow shafts		$ .48 per shaft		106
140	Indoor tanning services		10% of amount paid		140
64	Inland waterways fuel use tax		$ .20		64
125	LUST tax on inland waterways fuel use (see instructions)		.001		125
51	Alcohol and cellulosic biofuel sold as but not used as fuel				51
117	Biodiesel sold as but not used as fuel				117
20	**Floor Stocks Tax—** Ozone-depleting chemicals (floor stocks). Attach Form 6627.				20
2	**Total.** Add all amounts in Part II ▶			$	

Part III

3	Total tax. Add Part I, line 1, and Part II, line 2 . . . . ▶	3	75
4	Claims (see instructions; complete Schedule C) . . . . ▶ 4		
5	Deposits made for the quarter . . . . ▶ 5		
	☐ Check here if you used the safe harbor rule to make your deposits.		
6	Overpayment from previous quarters . . ▶ 6		
7	Enter the amount from Form 720X included on line 6, if any . . . . ▶ 7		
8	Add lines 5 and 6 . . . . ▶ 8		
9	Add lines 4 and 8 . . . . ▶	9	
10	**Balance Due.** If line 3 is greater than line 9, enter the difference. Pay the full amount with the return (see instructions) ▶	10	75
11	**Overpayment.** If line 9 is greater than line 3, enter the difference. Check if you want the overpayment: ☐ **Applied to your next return, or** ☐ **Refunded to you.**	11	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete the following. ☐ **No**

Designee name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here

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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature Date ▶ Title

Type or print name below signature. ▶ Telephone number ▶

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Form 720-V, Payment Voucher

Purpose of Form

Complete Form 720-V if you are making a payment by check or money order with Form 720, Quarterly Federal Excise Tax Return. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

If you have your return prepared by a third party and a payment is required, provide this payment voucher to the return preparer.

Do not file Form 720-V if you are paying the balance due on line 10 of Form 720 using EFTPS.

Specific Instructions

Box 1. If you do not have an EIN, you may apply for one online. Go to the IRS website at *www.irs.gov/businesses/small* and click on the "Employer ID Numbers (EINs)" link. You may also apply for an EIN by calling 1-800-829-4933, or you can fax or mail Form SS-4, Application for Employer Identification Number, to the IRS. However, if you are making a one-time filing, enter your social security number.

Box 2. Enter the amount paid from line 10 of Form 720.

Box 3. Darken the circle identifying the quarter for which the payment is made. Darken only one circle.

Box 4. Enter your name and address as shown on Form 720.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, (SSN for one-time filing), "Form 720," and the tax period on your check or money order. Do not send cash. Do not staple this voucher or your payment to the return (or to each other).
- Detach the completed voucher and send it with your payment and Form 720. See *Where To File* on page 1 of the Instructions for Form 720.

Form **720-V** (2013)

▼ **Detach Here and Mail With Your Payment and Form 720.** ▼

720-V
Department of the Treasury
Internal Revenue Service

Payment Voucher

▶ **Do not staple or attach this voucher to your payment.**

OMB No. 1545-0023
2013

1 Enter your employer identification number (EIN) (see instructions). 23-1452635	2 **Enter the amount of your payment.** ▶ **Make your check or money order payable to "United States Treasury."** Dollars: 75 Cents:
3 Tax Period	4 Enter your business name (individual name if sole proprietor). Sample Company
○ 1st Quarter ○ 3rd Quarter	Enter your address. 10 Main Street
● 2nd Quarter ○ 4th Quarter	Enter your city, state, and ZIP code. Philadelphia, PA 19103

Instructions for Form 720

Department of the Treasury
Internal Revenue Service

(Rev. April 2013)

Quarterly Federal Excise Tax Return

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

Future Developments

For the latest information about developments related to Form 720 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form720.

What's New

Patient-centered outcomes research fee. The Affordable Care Act (Public Law 111-148, amended by Public Law 111-152), imposes fees on issuers of specified health insurance policies (section 4375) and plan sponsors of applicable self-insured health plans (section 4376) to help fund the Patient-Centered Outcomes Research Institute. The fees, required to be reported annually on the 2nd quarter Form 720 and paid by its due date, July 31st, are based on the average number of lives covered under the policy or plan. The fees apply to policy or plan years ending on or after October 1, 2012, and before October 1, 2019. See *Patient-centered outcomes research fee (IRS No. 133)*, later.

Transportation of persons by air (IRS No. 26). For calendar year 2013, the tax on the amount paid for each domestic segment of taxable air transportation is $3.90.

Use of international air travel facilities (IRS No. 27). For calendar year 2013, the tax on the amount paid for international flights is $17.20 per person for flights that begin or end in the United States.

The tax is $8.60 per person for domestic segments that begin or end in Alaska or Hawaii (applies only to departures). See *Air Transportation Taxes*, later.

Arrow shafts (IRS No. 106). For calendar year 2013 the tax on arrow shafts is $.48 per arrow shaft.

Reminders

Medical device excise tax. The Affordable Care Act (Public Law 111-148, amended by Public Law 111-152), imposes a 2.3% (.023) excise tax on the sale of certain medical devices by the manufacturer, producer, or importer of the device. The tax applies to sales of taxable medical devices after December 31, 2012. See *Taxable Medical Devices (IRS No. 136)*, later.

Alternative fuel mixture credit can be claimed on Schedule C (Form 720) only. For alternative fuel mixtures produced after December 31, 2011, the section 6426 alternative fuel mixture credit can be claimed on Schedule C (Form 720) only, not on Form 4136, Credit for Federal Tax Paid on Fuels, or Schedule 3 (Form 8849), Claim for Refund of Excise Taxes, and only to the extent of your section 4081 taxable fuel liability for gasoline, diesel, and kerosene. See *Line 14. Alternative Fuel Credit and Alternative Fuel Mixture Credit*, later.

Expiration of alcohol fuel mixture credit. The section 6426 alcohol fuel mixture credit expired after December 31, 2011.

Exported gasoline blendstocks. Claims for exported gasoline blendstocks taxed at $.001 per gallon are made on Schedule C, line 15b. Continue to use line 1b to make claims for exported gasoline blendstocks taxed at $.184 per gallon.

Electronic filing. You can electronically file Form 720 through any electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) participating in the IRS *e-file* program for excise taxes. For more information on *e-file*, visit the IRS website at www.irs.gov/efile.

Federal tax deposits must be made by electronic funds transfer. You must use electronic funds transfer to make all federal tax deposits (such as deposits of employment tax, excise tax, and corporate income tax). Forms 8109 and 8109-B, Federal Tax Deposit Coupon, are obsolete. Generally, electronic funds transfers are made using the Electronic Federal Tax Payment System (EFTPS). If you do not want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make deposits on your behalf. EFTPS is a free service provided by the Department of Treasury.

To get more information about EFTPS or to enroll in EFTPS, visit www.eftps.gov or call 1-800-555-4477. Additional information about EFTPS is also available in Publication 966, The Secure Way to Pay Your Federal Taxes.

General Instructions

Purpose of Form

Use Form 720 and attachments to report liability by IRS No. and pay the excise taxes listed on the form.

Who Must File

CAUTION *See* Patient-centered outcomes research fee (IRS No. 133) *in* Part II *for special rules about who must file to report the patient-centered outcomes research fee.*

You must file Form 720 if:

- You were liable for, or responsible for collecting, any of the federal excise taxes listed on Form 720, Parts I and II, for a prior quarter and you have not filed a final return; or
- You are liable for, or responsible for collecting, any of the federal excise taxes listed on Form 720, Parts I and II, for the current quarter.

See *How To File* for more information.

When To File

You must file a return for each quarter of the calendar year as follows:

Quarter covered	Due by
Jan., Feb., Mar.	April 30
Apr., May, June	July 31
July, Aug., Sept.	October 31
Oct., Nov., Dec.	January 31

If any due date for filing a return falls on a Saturday, Sunday, or legal holiday, you may file the return on the next business day.

Send your return to the IRS using the U.S. Postal Service or a designated private delivery service to meet the "timely mailing as timely filing/paying" rule. See *Private Delivery Services* on page 2.

Floor stocks tax. Report the floor stocks tax on ozone-depleting chemicals (ODCs), IRS No. 20, on the return due by July 31 of each year. The tax payment is due by June 30. See *Floor Stocks Tax*, later.

Where To File

Send Form 720 to:

Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0009

How To File

If you are not reporting a tax that you normally report, enter a zero on the appropriate line on Form 720, Part I or II. Also, if you have no tax to report, write "None" on Form 720, Part III, line 3; sign and date the return. If you file the 2nd quarter Form 720 only to report the patient-centered outcomes research fee, no filing is required in other quarters unless you have to report other fees or taxes.

If you have adjustments to liabilities reported for prior quarters, see Form 720X, Amended Quarterly Federal Excise Tax Return. Do not enter adjustments on Form 720.

If you attach additional sheets, write your name and EIN on each sheet.

Final Return

File a final return if you have been filing Form 720 and you:

1. Go out of business, or
2. Will not owe excise taxes that are reportable on Form 720 in future quarters.

TIP *If you are only filing to report zero tax and you will not owe excise tax in future quarters, check the final return box above Part I of Form 720.*

Recordkeeping

Keep copies of your tax return, records, and accounts of all transactions to show that the correct tax has been paid. Keep records to support all claims and all exemptions at least 4 years from the latest of the date:

- The tax became due,
- You paid the tax, or
- You filed a claim.

Penalties and Interest

If you receive a notice about a penalty after you file this return, reply to the notice with an explanation and we will determine if you meet reasonable-cause criteria. Do not include an explanation when you file your return.

Trust fund recovery penalty. If communications, air transportation, and indoor tanning services taxes are collected but not paid to the United States Treasury or are willfully not collected, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid tax.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, and paying over these taxes, and who acted willfully in not doing so.

A responsible person can be an officer or employee of a corporation, a partner or employee of a partnership, an employee of a sole proprietorship, an accountant, or a volunteer director/trustee. A responsible person may also include one who signs checks for the business or otherwise has authority to cause the spending of business funds.

Willfully means voluntarily, consciously, and intentionally. A responsible person acts willfully if he or she knows the required actions are not taking place.

Additional Information

You may find the following products helpful when preparing Form 720 and any attachments.

- Pub. 510, Excise Taxes, contains definitions and examples that will help you prepare Form 720. Pub. 510 also contains information on fuel tax credits and refunds.
- Pub. 509, Tax Calendars, has deposit and payment due dates for all federal excise taxes.
- Notice 2005-4 (fuel tax guidance). You can find Notice 2005-4 on page 289 of Internal Revenue Bulletin (IRB) 2005-2 at *www.irs.gov/pub/irs-irbs/irb05-02.pdf*.
- Notice 2005-24 (sales of gasoline on oil company credit cards) on page 757 of IRB 2005-12 at *www.irs.gov/pub/irs-irbs/irb05-12.pdf*.
- Notice 2005-62 (biodiesel and aviation-grade kerosene) on page 443 of IRB 2005-35 at *www.irs.gov/pub/irs-irbs/irb05-35.pdf*.
- Notice 2005-80 (LUST, kerosene, claims by credit card issuers, and mechanical dye injection) on page 953 of IRB 2005-46 at *www.irs.gov/pub/irs-irbs/irb05-46.pdf*.
- Notice 2006-92 (alternative fuels and alternative fuel mixtures) on page 774 of IRB 2006-43 at *www.irs.gov/pub/irs-irbs/irb06-43.pdf*.
- Notice 2007-37 (renewable diesel and renewable diesel mixtures) on page 1002 of IRB 2007-17 at *www.irs.gov/pub/irs-irbs/irb07-17.pdf*.
- Notice 2007-97 (alternative fuel and alternative fuel mixtures defined) on page 1092 of IRB 2007-49 at *www.irs.gov/pub/irs-irbs/irb07-49.pdf*.
- Notice 2008-110 (biodiesel and cellulosic biofuel) on page 1298 of IRB 2008-51 at *www.irs.gov/pub/irs-irbs/irb08-51.pdf*.
- Notice 2009-6 (alcohol fuel credits, amount of denaturant) on page 311 of IRB 2009-3 at *www.irs.gov/pub/irs-irbs/irb09-03.pdf*.
- Notice 2012-27 (fractional aircraft ownership programs fuel surtax) on page 849 of IRB 2012-17 at *www.irs.gov/pub/irs-irbs/irb12-17.pdf*.
- Revenue Procedure 2012-41 (annual inflation adjustments) on page 539 of IRB 2012-45 at *www.irs.gov/pub/irs-irbs/irb12-45.pdf*.

- Treasury Decision (T.D.) 9604 and Notice 2012-77 (medical device tax) on pages 730 and 781, respectively, of IRB 2012-52 at *www.irs.gov/pub/irs-irbs/irb12-52.pdf*.
- T.D. 9602 (patient-centered outcomes research fee) on page 746 of IRB 2012-52 at *www.irs.gov/pub/irs-irbs/irb12-52.pdf*.

You may also call the business and specialty tax line at 1-800-829-4933 with your excise tax questions. The hours of operation are Monday – Friday, 7:00 a.m. to 7:00 p.m. local time.

Private Delivery Services

You can use the following private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments.

- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First;
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express; and
- DHL Express (DHL): DHL Same Day Service.

The private delivery service can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you are using a private delivery service, go to IRS.gov and enter "private delivery service" in the search box.

CAUTION *Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.*

Photographs of Missing Children

The IRS is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Specific Instructions

Name and Address

Type your name, address (including the suite, room, or other unit number), and the quarter ending date (month and year). If your address changes, check the address change box above Form 720, Part I.

P.O. box. If the post office does not deliver mail to the street address and you have a P.O. box, show the box number instead of the street address.

Foreign address. Enter the city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Employer Identification Number (EIN)

Enter the correct EIN. If you are a one-time filer, you may not need an EIN. See *Gas Guzzler tax (IRS No. 40)*, later. If you do not have an EIN, you may apply for one online. Go to the IRS website at *www.irs.gov/businesses/small* and click on the "Employer ID Numbers (EINs)" link. You may also apply for an EIN by calling 1-800-829-4933 (hours of operation are Monday – Friday, 7:00 a.m. to 7:00 p.m. local time), or you can fax or mail Form SS-4, Application for Employer Identification Number, to the IRS.

Disregarded entities and qualified subchapter S subsidiaries. Qualified subchapter S subsidiaries (QSubs) and eligible single-owner disregarded entities are treated as separate entities for excise tax and reporting purposes. QSubs and eligible single-owner disregarded entities must pay and report excise taxes (other than IRS Nos. 31, 51, and 117), register for most excise tax activities, and claim any refunds, credits, and payments under the entity's employer identification number (EIN). These actions cannot take place under the owner's taxpayer identification number (TIN). Some QSubs and disregarded entities may already have an EIN. However, if you are unsure, please call the IRS Business and Specialty Tax line at 1-800-829-4933.

Generally, QSubs and eligible single-owner disregarded entities will continue to be treated as disregarded entities for other federal tax purposes (other than employment taxes). Thus, taxpayers filing Form 4136, with Form 1040, Individual Income Tax Return, can use the owner's TIN. For more information, see Regulations section 301.7701-2(c)(2)(v).

Signature

Form 720 must be signed by a person authorized by the entity to sign this return.

Third Party Designee

If you want to allow an employee of your business, a return preparer, or other third party to discuss your Form 720 with the IRS, check the "Yes" box on Form 720 under *Third Party Designee*. Also, enter the designee's name, phone number, and any five digits that person chooses as his or her personal identification number (PIN).

By checking the "Yes" box, you are authorizing the IRS to speak with the designee to answer any questions relating to the processing of, or the information reported on, Form 720. You are also authorizing the designee to:

- Exchange information concerning Form 720 with the IRS, and
- Respond to certain IRS notices that you have shared with your designee relating to Form 720. The IRS will not send notices to your designee.

You are not authorizing the designee to receive any refund check, bind you to anything (including additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authority, see Pub. 947, Practice Before the IRS and Power of Attorney.

The authorization will automatically expire one year from the due date (without regard to extensions) for filing your Form 720. If you or your designee want to revoke this authorization, send a written statement of revocation to:

Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999

See Pub. 947 for more information.

Paid Preparer Use Only

A paid preparer must sign Form 720 and provide the information in the Paid Preparer Use Only section at the end of the form if the preparer was paid to prepare the form and is not an employee of the filing entity. Paid preparers must sign paper forms with a manual signature. The preparer must give or more per ton. Enter on the line for IRS No. 37 the total sales price for all sales of underground mined coal sold at a selling price of less than $25 per ton.

Surface mined coal (IRS Nos. 38 and 39). The tax on surface mined coal is the lower of $.55 per ton or 4.4% (.044) of the sales price. Enter on the line for IRS No. 38 the number of tons of surface mined coal sold at $12.50 or more per ton. Enter on the line for IRS No. 39 the total sales price for all sales of surface mined coal sold at a selling price of less than $12.50 per ton.

Taxable tires (IRS Nos. 108, 109, and 113). A tax is imposed on taxable tires sold by the manufacturer, producer, or importer at the rate of $.0945 ($.04725 in the case of a bias ply tire or super single tire) for each 10 pounds of the maximum rated load capacity over 3,500 pounds. Figure the tax for each tire sold in each category as shown in the following chart and enter the total for the quarter on the line for IRS No. 108, 109, or 113. Enter the number of tires for each IRS No.

IRS No.	Taxable Tire Category	Rate (for each 10 pounds of the maximum rated load capacity over 3,500 pounds)
108	Taxable tires other than bias ply or super single tires	$.0945
109	Taxable tires, bias ply or super single tires (other than super single tires designed for steering)	$.04725
113	Taxable tires, super single tires designed for steering	$.0945

A **taxable tire** is any tire of the type used on highway vehicles if wholly or partially made of rubber and if marked according to federal regulations for highway use. A bias ply tire is a pneumatic tire on which the ply cords that extend to the beads are laid at alternate angles substantially less than 90 degrees to the centerline of the tread. A super single tire is a tire greater than 13 inches in cross section width designed to replace two tires in a dual fitment, but does not include any tire designed for steering.

Gas guzzler tax (IRS No. 40). Use Form 6197, Gas Guzzler Tax, to figure the liability for this tax. Attach Form 6197 to Form 720. The tax rates for the gas guzzler tax are shown on Form 6197.

One-time filing. If you import a gas guzzling automobile, you may be eligible to make a one-time filing of Form 720 and Form 6197 if you meet all of the following conditions.
- You do not import gas guzzling automobiles in the course of your trade or business.
- You are not required to file Form 720 reporting excise taxes for the calendar quarter, except for a one-time filing.

Follow the steps below to make a one-time filing.

1. File Form 720 for the quarter in which you incur liability for the tax. See *When To File*, on page 1.
2. Pay the tax with Form 720. No deposits are required.
3. If you are an individual and do not have an employer identification number (EIN), enter your social security number (SSN) or individual taxpayer identification number (ITIN) on Form 720 and Form 720-V in the space for the EIN.
4. Check the one-time filing box on the line for the gas guzzler tax.

Vaccine taxes (IRS No. 97). A tax is imposed on the sale or use of a vaccine manufactured, produced, or entered into the United States at $.75 per dose if it:
- Contains diptheria toxoid, tetanus toxoid, pertussis bacteria, extracted or partial cell bacteria, specific pertussis antigens, or polio virus;
- Is against measles, mumps, rubella, hepatitis A, hepatitis B, chicken pox, rotavirus gastroenteritis, or human papillomavirus;
- Is any HIB (haemophilus influenzae type B) vaccine;
- Is any meningococcal vaccine;
- Is any conjugate vaccine against streptococcus pneumoniae; or
- Is any trivalent vaccine against influenza.

If any taxable vaccine is combined with one or more additional taxable vaccines, then the tax is imposed on each vaccine included in the combination.

Example. MMR contains three taxable vaccines: measles, mumps, and rubella. The tax per dose on MMR is $2.25 (3 x $.75).

Add the tax for each taxable vaccine and enter the total tax on the line for IRS No. 97.

Taxable medical devices (IRS No. 136). The tax on the sale of certain medical devices by the manufacturer, producer, or importer of the device is 2.3% (.023) of the sales price.

A taxable medical device is a device that is listed as a device with the Food and Drug Administration (FDA) under section 510(j) of the Federal Food, Drug, and Cosmetic Act and 21 CFR part 807, pursuant to FDA requirements. There are specific exemptions for eyeglasses, contact lenses, and hearing aids. There is also an exemption for devices that are determined by the Secretary to be of a type that are generally purchased by the general public at retail for individual use (this exemption is known as the retail exemption). See Treasury Decision (T.D.) 9604 for information on how to determine whether a device falls within the retail exemption, and examples of how a taxpayer might evaluate a given device.

Enter the total sales price of all taxable medical devices sold during the quarter and the total tax due on the line for IRS No. 136.

More information. For more information on the medical device tax, see section 4191, T.D. 9604, and Notice 2012-77. You can find T.D. 9604 and Notice 2012-77 on pages 730 and 781, respectively, of IRB 2012-52 at *www.irs.gov/pub/irs-irbs/irb12-52.pdf*.

Part II

Patient-centered outcomes research fee (IRS No. 133). The patient-centered outcomes research fee is imposed on issuers of specified health insurance policies (section 4375) and plan sponsors of applicable self-insured health plans (section 4376) for policy and plan years ending on or after October 1, 2012. Generally, references to taxes on Form 720 include this fee.

Specified health insurance policies. For issuers of specified health insurance policies, the fee for a policy year ending before October 1, 2013, is $1.00, multiplied by the average number of lives covered under the policy for that policy year. Generally, issuers of specified health insurance polices must use one of the following four alternative methods to determine the average number of lives covered under a policy for the policy year.

1. **The actual count method.** For policy years that end on or after October 1, 2012, issuers using the actual count method may begin counting lives covered under a policy as of May 14, 2012, rather than the first day of the policy year, and divide by the appropriate number of days remaining in the policy year.

2. **The snapshot method.** For policy years that end on or after October 1, 2012, but that began before May 14, 2012, issuers using the snapshot method may use counts from quarters beginning on or after May 14, 2012, to determine the average number of lives covered under the policy.

3. **The member months method.** And, 4. **The state form method.** The member months data and the data reported on state forms are based on the calendar year. To adjust for 2012, issuers will use a pro rata approach for calculating the average number of lives covered using the member months method or the state form method for 2012. For example, issuers using the member months number for 2012 will divide the member months number by 12 and multiply the resulting number by one quarter to arrive at the average number of lives covered for October through December 2012.

Applicable self-insured health plans. For plan sponsors of applicable self-insured health plans, the fee for a plan year ending before October 1, 2013, is $1.00, multiplied by the average number of lives covered under the plan for that plan year. Generally, plan sponsors of applicable self-insured health plans must use one of the following three alternative methods to determine the average number of lives covered under a plan for the plan year.

1. Actual count method.
2. Snapshot method.
3. Form 5500 method.

However, for plan years beginning before July 11, 2012, and ending on or after October 1, 2012, plan sponsors may determine the average number of lives covered under the plan for the plan year using any reasonable method.

Reporting and paying the fee. File Form 720 annually to report and pay the fee no later than July 31 of the calendar year immediately following the last day of the policy year or plan year to which the fee applies. If you file Form 720 only to report the fee, do not file Form 720 for the 1st, 3rd, or 4th quarters of the year. If you file Form 720 to report quarterly excise tax liability for the 1st, 3rd, or 4th quarter of the year (for example, filers reporting the foreign insurance tax (IRS No. 30)), do not make an entry on the line for IRS No. 133 on those filings. Deposits are not required for this fee, so issuers and plan sponsors are not required to pay the fee using EFTPS.

Report the average number of lives covered in column (a) and multiply by the rate in column (b). Combine the fees for specified health insurance policies and applicable self-insured health plans and enter the total in the tax column on the line for IRS No. 133.

More information. For more information, including methods for calculating the average number of lives covered, see sections 4375, 4376, and 4377; also see T.D. 9602, which is on page 746 of IRB 2012-52 at _www.irs.gov/pub/irs-irbs/irb12-52.pdf_

Sport fishing equipment (other than fishing rods and fishing poles) (IRS No. 41). The tax on sport fishing equipment is 10% (.10) of the sales price. The tax is paid by the manufacturer, producer, or importer. Taxable articles include reels, fly fishing lines (and other lines not over 130 pounds test), fishing spears, spear guns, spear tips, terminal tackle, fishing supplies and accessories, and any parts or accessories sold on or in connection with these articles. See Pub. 510 for a complete list of taxable articles. Add the tax on each sale during the quarter and enter the total on the line for IRS No. 41.

Fishing rods and fishing poles (IRS No. 110). The tax on fishing rods and fishing poles (and component parts) taxed at a rate of 10% will have a maximum tax of $10 per article. The tax is paid by the manufacturer, producer, or importer. Add the tax on each sale during the quarter and enter the total on the line for IRS No. 110.

Electric outboard motors (IRS No. 42). The tax on an electric outboard motor is 3% (.03) of the sales price. The tax is paid by the manufacturer, producer, or importer. Add the tax on each sale during the quarter and enter the total on the line for IRS No. 42.

Fishing tackle boxes (IRS No. 114). The tax on fishing tackle boxes is 3% (.03) of the sales price. The tax is paid by the manufacturer, producer, or importer. Add the tax on each sale during the quarter and enter the total on the line for IRS No. 114.

Bows, quivers, broadheads, and points (IRS No. 44). The tax on bows is 11% (.11) of the sales price. The tax is paid by the manufacturer, producer, or importer. It applies to bows having a peak draw weight of 30 pounds or more. The tax is also imposed on the sale of any part or accessory suitable for inclusion in or attachment to a taxable bow and any quiver, broadhead, or point suitable for use with arrows described below. Add the tax on each sale during the quarter and enter the total on the line for IRS No. 44.

Arrow shafts (IRS No. 106). The tax on arrow shafts is $.48 per arrow shaft. The tax is paid by the manufacturer, producer, or importer of any arrow shaft (whether sold separately or incorporated as part of a finished or unfinished product) of a type used in the manufacture of any arrow which after its assembly meets either of the following conditions.

- It measures 18 inches or more in overall length.
- It measures less than 18 inches in overall length but is suitable for use with a taxable bow, described earlier.

Exemption for certain wooden arrows. The tax does not apply to any shaft made of all natural wood with no laminations or artificial means of enhancing the spine of such shaft (whether sold separately or incorporated as part of a finished or unfinished product) and used in the manufacture of any arrow which after its assembly meets both of the following conditions.

- It measures $^{5}/_{16}$ of an inch or less in diameter.
- It is not suitable for use with a taxable bow, described earlier.

Add the tax on each sale during the quarter and enter the total on the line for IRS No. 106.