

Changes to Excise Tax Rates  
Announcement 96-9

The changes listed below are effective after December 31, 1995, and will be reflected on Form 720 for the first quarter of 1996, as well as on the next revisions of Forms 4136 and 8849. If these rates are modified by legislation, the IRS will issue another announcement and will revise all forms accordingly.

I. FUEL TAXES

These changes to the fuel taxes reflect the expiration of the Leaking Underground Storage Tank Trust Fund Tax (LUST) and a reduction in certain aviation-related fuel taxes. The rates listed below are effective January 1, 1996.

IRS No.	Type of fuel	Tax rate per gallon (in cents)
60	Diesel fuel	24.3
71	Dyed diesel fuel for use in trains	5.55
78	Dyed diesel fuel for use in buses	7.3
61	Special motor fuel (including LPG)	18.3
62	Gasoline	18.3
58	Gasoline sold for gasohol production, 10% alcohol	14.333
73	Gasoline sold for gasohol production, 7.7% alcohol	15.321
74	Gasoline sold for gasohol production, 5.7% alcohol	16.142
59	Gasohol, 10% alcohol	12.9
75	Gasohol, 7.7% alcohol	14.142
76	Gasohol, 5.7% alcohol	15.222
69	Aviation fuel (other than gasoline)	4.3
14	Gasoline used in noncommercial aviation (expired)	0.0
77	Aviation fuel (other than gasoline) for use in commercial aviation	4.3
64	Inland waterways fuel use tax	24.3
101	Compressed natural gas taxed at 48.54 cents per thousand cubic feet remains unchanged	

The rates of tax for the "other alcohol fuels" have decreased and will be listed in the Instructions for Form 720.

II. LUXURY TAX

The base amount not subject to the luxury tax for passenger vehicles has increased from \$32,000 to \$34,000 effective for sales or uses occurring after December 31, 1995. Get Form 8807, Certain Manufacturers and Retailers Excise Taxes, from the IRS to compute the luxury tax.

III. TRANSPORTATION TAXES

The excise tax on transportation of persons and property by air and use of international air travel facilities (IRS Nos. 26, 28, and 27) expired December 31, 1995. Travelers that paid for tickets in 1995 for travel in 1996 may be entitled to refunds of the tax. Some airlines are refunding the tax to the traveler. Therefore, contact the airline to discuss its refund policy or get Form 8849, Claim for Refund of Excise

Taxes, from the IRS to obtain a refund. All refund claims submitted to IRS require an original passenger receipt.

IV. SUPERFUND TAX

The excise tax on domestic and imported petroleum, chemicals, and imported chemical substances (IRS Nos. 53, 16, 54, and 17) expired December 31, 1995.

V. HOW TO GET FORMS

Forms can be obtained by calling 1-800-829-3676 or downloaded off the IRS home page on Internet at <http://www.irs.ustreas.gov>.