



# TaxNewsFlash

United States



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## IRS provides FAQs on the reinstated Superfund chemical excise tax

The IRS today announced the release of a set of “frequently asked questions” (FAQs) regarding the reinstated excise taxes imposed on certain chemicals and substances under sections 4661 and 4671 (often referred to as “Superfund” excise taxes).

The [FAQs](#) explain what is the Superfund chemical excise tax; what is a taxable chemical and a taxable substance; how substances are added or removed from the list; how the tax is computed and what forms to file; and who may be liable for the tax.

The Superfund chemical taxes are to be reported on Form 720, *Quarterly Federal Excise Tax Return*, and Form 6627, *Environmental Taxes*.

A related IRS release—[IR-2022-131](#) (June 24, 2022)—explains that, currently, 151 substances are listed as taxable substances but that this number is expected to change as substances are added to or removed from the list of taxable substances.

In a separate release, the IRS today announced the prescribed tax rates for 121 taxable substances that are subject to the Superfund chemical excise tax imposed by section 4671(a). Read [TaxNewsFlash](#)

### Background

A provision of the “Infrastructure Investment and Jobs Act” (Pub. L. No. 117-58, enacted November 15, 2021) reinstated the Superfund excise taxes and modified the applicable rates of tax and other provisions related to such taxes. Read [TaxNewsFlash](#). These taxes expired more than 25 years ago.

The Superfund excise taxes include two separate but interrelated excise taxes applicable to crude oil and petroleum products, chemicals, and hazardous substances, which fund the Hazardous Substance Superfund for the cleanup of hazardous waste sites. The taxes are effective July 1, 2022.

Notice 2022-15 released by the IRS in April 2022 regarding the reinstated Superfund chemical excise tax provided certain relief from penalties. Read [TaxNewsFlash](#)

## KPMG observation

The FAQs largely restate the Code provisions; thus, there are many unanswered questions. Three FAQs (FAQ5, FAQ9, and FAQ15) provide new information:

- The answer provided in FAQ5 generally indicates that substances added to the list during calendar year 2022 will be deemed listed as of July 1, 2022, for purposes of export credits. Currently, however, there are no established procedures to petition the IRS to add a substance to the list.
- The answer provided in FAQ9 indicates that the IRS is working on calculating tax rates for taxable substances and will release the tax rates as they become available. As noted above, importers are not required to use the IRS-prescribed tax rates for the section 4671 tax and may calculate their own rates.
- The answer provided in FAQ15 indicates that applicants for Activity Letter G Registration may check the status of their application by calling 859-320-4091 and selecting menu option #1.

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