

Purpose To announce excise tax changes made by the Taxpayer Relief Act of 1997 (P.L. 105-34) that take effect during August of 1997. These changes affect:

- The tax on the use of international air travel facilities
- Deposits of certain air transportation taxes
- Vaccine taxes

Taxpayers need to follow the procedures in this announcement to report these taxes on the Form 720 for the 3rd quarter. The Form 720 for the 4th quarter will reflect these changes and others that take effect later.

Note: *A separate announcement will be released at a later date to cover changes made by the Act that take effect on October 1, 1997, or later.*

Use of international air travel facilities, IRS No. 27

Rate. The rate is increased to \$12.00 per person for the use of international air travel facilities. This tax applies to arrivals as well as departures. For domestic flight segments that begin or end in Alaska or Hawaii there is no change; the tax remains at \$6.00 and applies only to departures.

Effective date. Tax is imposed at the new rate for amounts paid after August 12, 1997, for transportation that begins after September 30, 1997.

How to report. Report the total of both the \$6 and the \$12 rate for the quarter on the line for **IRS No. 27**.

Delayed deposits

Any deposit of taxes for **IRS No. 26**, transportation of persons by air, and **IRS No. 27**, use of international air travel facilities, that would otherwise be due after August 14, 1997, and before October 1, 1997, is due October 10, 1997.

Vaccine taxes

Rate. A uniform tax on **all** taxable vaccines is imposed at \$.75 per dose. The tax liability at the new rate is reported under **IRS No. 97**.

Effective date. The changes to vaccine taxes are effective for sales after August 5, 1997.

Taxable vaccines. After August 5, 1997, the vaccine is taxable if it:

- Contains diphtheria toxoid;
- Contains tetanus toxoid;
- Contains pertussis bacteria, extracted or partial cell bacteria, or specific pertussis antigens;
- Contains polio virus;
- Is against measles;
- Is against mumps;
- Is against rubella;
- Is any HIB vaccine;
- Is against hepatitis B; or
- Is against chicken pox.

Combination vaccines. If any taxable vaccine is combined with one or more additional taxable vaccines, then the amount of tax imposed is the sum of the amounts for the vaccines included in the combination.

How to report. For sales after June 30, 1997, and before August 6, 1997, report the vaccine tax liability under **IRS Nos. 81, 82, 83, and 84**. For sales after August 5, 1997, report your vaccine tax liability on a separate sheet and attach it to Form 720 for the 3rd quarter. Include the following information on the sheet:

- The words “VACCINE TAX” across the top of the sheet;
- Your name (as shown on the return) and employer identification number (EIN);
- **IRS No. 97**; and
- The amount of tax.

On Form 720, include the tax liability for **IRS No. 97** in the total line for Part I taxes on page 2.
