Changes to Excise Taxes, Effective After December 31, 2002

Announcement 2002–115

The following changes are effective after December 31, 2002, and will be on Form 720 or in the Instructions for Form 720 for the 1st quarter of 2003, and on Form 8849 (Schedules 1, 3, and 4), revised January 2003.

1. The tax on sales of luxury passenger vehicles (IRS No. 92) will expire.

2. The tax on use of international air travel facilities (IRS No. 27) increases for amounts paid during 2003 to:

- $13.40 per person for flights that begin or end in the United States and
- $6.70 per person for domestic segments that begin or end in Alaska or Hawaii (applies only to departures).

3. Fuel tax changes

The following tax rates will increase:

10% gasohol (IRS No. 59)	$.132
7.7% gasohol (IRS No. 75)	.14396
5.7% gasohol (IRS No. 76)	.15436
Gasoline removed or entered for the production of 10% gasohol (IRS No. 58)	.14666
Gasoline removed or entered for the production of 7.7% gasohol (IRS No. 73)	.15596
Gasoline removed or entered for the production of 5.7% gasohol (IRS No. 74)	.16369

The gasohol blending credit rates for gasoline taxed at the full rate will decrease:

10% gasohol (CRN 356)	$.03734
7.7% gasohol (CRN 357)	.02804
5.7% gasohol (CRN 363)	.02031

The following other fuels tax rates (IRS No. 79) will increase:

Qualified ethanol	$.1315
Special motor fuels/alcohol mixture containing ethanol	.132
Diesel fuel/alcohol mixture containing ethanol	.192
Diesel fuel sold for diesel/alcohol mixture containing ethanol	.21333
Aviation fuel/alcohol mixture containing ethanol	.087
Aviation fuel sold for aviation/alcohol mixture containing ethanol	.09666

The tax rates for alcohol (ethanol) sold as but used as fuel (IRS No. 51) will decrease:

At least 190 proof	$.52
At least 190 proof and benefited from the small ethanol producer credit	.62
At least 150 proof but less than 190 proof	.3852
At least 150 proof but less than 190 proof and benefited from the small ethanol producer credit	.4852