



REINSTATEMENT OF THE SUPERFUND CHEMICAL TAXES

What Taxes Are Being Reinstated?

The Infrastructure Investment and Jobs Act (P.L. 117-58) will reinstate the Superfund excise taxes on 42 listed feedstock chemicals and other imported chemicals derived in part from them. Along with the Superfund excise tax on crude oil and petroleum products (which is not being reinstated), these taxes were originally created by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) in 1980 to fund the cleanup of contaminated sites. The original tax funding streams for CERCLA response actions were allowed to expire in 1995 and the Superfund program has since been funded by Congress out of general revenues. The Joint Committee on Taxation estimates that the reinstatement of these taxes will generate approximately \$14.5 billion to fund Superfund cleanups over the 10-year period that the taxes have been reinstated.

When Will They Go into Effect and What Will the Rates Be?

The reinstated Superfund taxes will go into effect on June 30, 2022, and will expire on Dec. 31, 2031. The bill will increase the tax rate on the listed feedstock chemicals by doubling the 1995 rates (which varied from \$0.44 to \$9.74 per ton). The new rates are shown on the following page.

How Will the Taxes be Applied?

This tax will be applied to the manufacture, production or import of the 42 listed feedstock chemicals and hazardous materials, at the indicated rate per ton.

The IRS will again be authorized, in consultation with EPA and Customs and Border Protection, to add other substances to the list of taxable substances when imported chemical is derived in part from listed chemicals. However, the new law reduces the threshold for such listings – now listed chemicals need only constitute more than 20% (rather than 50%) of the weight or more than 20% of the value of the materials used to produce the substance, based on the predominant method of manufacture. The IRS is required publish an initial list of taxable imported substances by January 1, 2022.

The bill also doubles the tax rate imposed on taxable substances from 5 to 10% if the importer fails to furnish sufficient information to the Secretary of Treasury to determine the amount of Superfund tax applicable to the material.

SUPERFUND CHEMICAL TAX RATES

Chemical	Tax Per Ton
Acetylene	\$9.74
Ammonia	\$5.28
Antimony	\$8.90
Antimony trioxide	\$7.50
Arsenic	\$8.90
Arsenic trioxide	\$6.82
Barium sulfide	\$4.60
Benzene	\$9.74
Bromine	\$8.90
Butadiene	\$9.74
Butane	\$9.74
Butylene	\$9.74
Cadmium	\$8.90
Chlorine	\$5.40
Chromite	\$3.04
Chromium	\$8.90
Cobalt	\$8.90
Cupric oxide	\$7.18
Cupric sulfate	\$3.74
Cuprous oxide	\$7.94
Ethylene	\$9.74
Hydrochloric acid	\$0.58
Hydrogen fluoride	\$8.46
Lead oxide	\$8.28
Mercury	\$8.90
Methane	\$6.88
Napthalene	\$9.74
Nickel	\$8.90
Nitric acid	\$0.48
Phosphorus	\$8.90
Potassium dichromate	\$3.38
Potassium hydroxide	\$0.44
Propylene	\$9.74
Sodium dichromate	\$3.74
Sodium hydroxide	\$0.56
Stannic chloride	\$4.24
Stannous chloride	\$5.70
Sulfuric acid	\$0.52
Toluene	\$9.74
Xylene	\$9.74
Zinc chloride	\$4.44
Zinc sulfate	\$3.80