

# Tax on Certain Imported Substances; Filing of Petitions

## Announcement 96-135

This announces the acceptance, under Notice 89-61, 1989-1 C.B. 717, of a petition requesting that diglycidyl ether of bisphenol-A be added to the list of taxable substances in § 4672(a)(3). Publication of this notice is in compliance with Notice 89-61. This is not a determination that the list of taxable substances should be modified. Any modification of the list of taxable substances based upon this petition would be effective April 1, 1992.

Before a determination is made, consideration will be given to any written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. Written comments and requests for a public hearing relating to these petitions must be received by February 4, 1997. Send submissions to: CC:DOM:CORP:R (Petition), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (Petition), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date,

time, and place for the hearing will be published in the Federal Register.

The petition was received on July 1, 1991. The petitioner is Dow Chemical Company, a manufacturer and exporter of this substance. The following is a summary of the information contained in the petition. The complete petition is available in the Internal Revenue Service Freedom of Information Reading Room.

HTS number: 3907.3

CAS number: 025085-99-8

Diglycidyl ether of bisphenol-A (DGEBA) is derived from the taxable chemicals benzene, propylene, chlorine,

and sodium hydroxide and produced predominantly from epichlorohydrin and bisphenol-A via a two-step reaction.

The stoichiometric material consumption formula for this substance is:

$2 \text{ C}_6\text{H}_6$  (benzene) +  $4 \text{ C}_3\text{H}_6$  (propylene) +  $4 \text{ Cl}_2$  (chlorine) +  $6 \text{ NaOH}$  (sodium hydroxide) +  $2 \text{ O}_2$  (oxygen) ----->  
 $(\text{CH}_3)_2\text{C}(\text{C}_6\text{H}_4\text{OC}_3\text{H}_5\text{O})_2$  (DGEBA) +  $\text{CH}_3\text{COCH}_3$  (acetone) +  $2 \text{ HCl}$  (hydrogen chloride) +  $6 \text{ NaCl}$  (sodium chloride) +  $5 \text{ H}_2\text{O}$  (water)

According to the petition, taxable chemicals constitute 92.95 percent by weight of the materials used to produce this substance. The rate of tax for this

substance would be \$7.08 per ton. This is based upon a conversion factor for benzene of 0.459, a conversion factor for propylene of 0.494, a conversion factor for chlorine of 0.833, and a conversion factor for sodium hydroxide of 0.705.

The principal author of this announcement is Ruth Hoffman, Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this announcement contact Ruth Hoffman on (202) 622-3130 (not a toll-free number).

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