

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: 2916.14.00.20

CAS number: 80-62-6

Methyl methacrylate is derived from the taxable chemicals methane, ammonia, propylene, benzene, and sulfuric acid and is a liquid produced predominantly by the catalytic reaction of acetone cyanohydrin and methyl alcohol. The methyl methacrylate is then purified by distillation.

The stoichiometric material consumption formula for this substance is:

$3 \text{ CH}_4 \text{ (methane)} + \text{NH}_3 \text{ (ammonia)} + \text{C}_3\text{H}_6 \text{ (propylene)} + \text{C}_6\text{H}_6 \text{ (benzene)} + \text{H}_2\text{SO}_4 \text{ (sulfuric acid)} + 2.5 \text{ O}_2 \text{ (oxygen)}$
 $\% \text{ C}_5\text{H}_8\text{O}_2 \text{ (methyl methacrylate)} + \text{NH}_4\text{HSO}_4 \text{ (ammonium bisulfate)} + \text{C}_6\text{H}_6\text{O (phenol)} + \text{CH}_3\text{OH (methanol)} + \text{H}_2\text{O (water)} + 2 \text{ H}_2\text{O (hydrogen)}$

According to the petition, taxable chemicals constitute 77.9 percent by weight of the materials used to produce this substance. The rate of tax for this substance would be \$10.12 per ton. This is based upon a conversion factor for methane of 0.47, a conversion factor for ammonia of 0.22, a conversion factor for propylene of 0.6, a conversion factor for benzene of 0.94, and a conversion factor for sulfuric acid of 1.63.

Comments and Requests for a Public Hearing

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. 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**.

Dale D. Goode,

Federal Register Liaison Officer, Assistant Chief Counsel (Corporate).

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Tax on Certain Imported Substances (Monoethanolamine, et al.); Notice of Determinations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: This notice announces determinations, under Notice 89-61,

that the list of taxable substances in section 4672(a)(3) will be modified to include monoethanolamine, diethanolamine, triethanolamine, monoisopropanolamine, diisopropanolamine, triisopropanolamine, toluene diisocyanate, and chlorinated polyethylene.

EFFECTIVE DATE: This modification is effective April 1, 1992.

FOR FURTHER INFORMATION CONTACT: Ruth Hoffman, Office of Assistant Chief Counsel (Passthroughs and Special Industries), (202) 622-3130 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Under section 4672(a), an importer or exporter of any substance may request that the Secretary determine whether the substance should be listed as a taxable substance. The Secretary shall add the substance to the list of taxable substances in section 4672(a)(3) if the Secretary determines that taxable chemicals constitute more than 50 percent of the weight, or more than 50 percent of the value, of the materials used to produce the substance. This determination is to be made on the basis of the predominant method of production. Notice 89-61, 1989-1 C.B. 717, sets forth the rules relating to the determination process.

Determination

On July 10, 1995, the Secretary determined that monoethanolamine, diethanolamine, triethanolamine, monoisopropanolamine, diisopropanolamine, triisopropanolamine, toluene diisocyanate, and chlorinated polyethylene should be added to the list of taxable substances in section 4672(a)(3), effective April 1, 1992.

The rate of tax prescribed for monoethanolamine, under section 4671(b)(3), is \$3.63 per ton. This is based upon a conversion factor for ethylene of 0.59 and a conversion factor for ammonia of 0.29.

The rate of tax prescribed for diethanolamine, under section 4671(b)(3), is \$3.85 per ton. This is based upon a conversion factor for ethylene of 0.70 and a conversion factor for ammonia of 0.17.

The rate of tax prescribed for triethanolamine, under section 4671(b)(3), is \$3.96 per ton. This is based upon a conversion factor for ethylene of 0.75 and a conversion factor for ammonia of 0.12.

The rate of tax prescribed for monoisopropanolamine, under section

4671(b)(3), is \$6.66 per ton. This is based upon a conversion factor for propylene of 0.62, a conversion factor for chlorine of 1.00, a conversion factor for sodium hydroxide of 1.20, and a conversion factor for ammonia of 0.23.

The rate of tax prescribed for diisopropanolamine, under section 4671(b)(3), is \$7.08 per ton. This is based upon a conversion factor for propylene of 0.70, a conversion factor for chlorine of 1.10, a conversion factor for sodium hydroxide of 1.30, and a conversion factor for ammonia of 0.13.

The rate of tax prescribed for triisopropanolamine, under section 4671(b)(3), is \$7.49 per ton. This is based upon a conversion factor for propylene of 0.74, a conversion factor for chlorine of 1.20, a conversion factor for sodium hydroxide of 1.40, and a conversion factor for ammonia of 0.10.

The rate of tax prescribed for toluene diisocyanate, under section 4671(b)(3), is \$4.90 per ton. This is based upon a conversion factor for toluene of 0.53, a conversion factor for nitric acid of 0.7, and a conversion factor for chlorine of 0.8.

The rate of tax prescribed for chlorinated polyethylene, under section 4671(b)(3), is \$5.05 per ton. This is based upon a conversion factor for ethylene of 0.65 and a conversion factor for chlorine of 0.70.

The petitioner is Dow Chemical Company, a manufacturer and exporter of these substances. No material comments were received on these petitions. The following information is the basis for the determinations.

Monoethanolamine

HTS number: 2922.11.00.00

CAS number: 141-43-5

Monoethanolamine is derived from the taxable chemicals ethylene and ammonia and is a liquid produced predominantly by reacting ethylene oxide and aqueous ammonia.

The stoichiometric material consumption formula for this substance is:

$2 \text{ C}_2\text{H}_4 \text{ (ethylene)} + 2 \text{ NH}_3 \text{ (ammonia)} + \text{O}_2 \text{ (oxygen)} \rightarrow 2 \text{ C}_2\text{H}_7\text{NO}$
 (monoethanolamine)

Monoethanolamine has been determined to be a taxable substance because a review of its stoichiometric material consumption formula shows that, based on the predominant method of production, taxable chemicals constitute 73.7 percent by weight of the materials used in its production.

Diethanolamine

HTS number: 2922.12.00.00

CAS number: 111-42-2