

# Form 720 (Rev. June 2025)

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## Instructions for Form 720 Quarterly Federal Excise Tax Return (Rev. June 2025)

[View Official IRS Instructions](#) | [View IRS webpage "Application of the Patient Centered Outcomes Research Trust Fund Fee to Common Types of Health Coverage or Arrangements"](#) | [View IRS webpage "Patient Centered Outcomes Research Trust Fund Fee \(IRC 4375, 4376 and 4377\): Questions-and-Answers"](#) |

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Section references are to the Internal Revenue Code unless otherwise noted.

## Future Developments [Top](#)

For the latest information about developments related to Form 720, and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form720](https://www.irs.gov/Form720).

## What's New [Top](#)

**Sections 4375 and 4376 patient-centered outcomes research fee increase.** The fee for policy and plan years ending on or after October 1, 2024, but before October 1, 2025, is increased to the applicable rate of \$3.47 multiplied by the average number of lives covered under the policy or plan. The fee for policy and plan years ending on or after October 1, 2023, but before October 1, 2024, remains at the applicable rate of \$3.22, multiplied by the average number of lives covered under the policy or plan. See patient-centered outcomes research (PCOR) fee (IRS No. 133), later, and [Notice 2024-83](#).

## Reminders [Top](#)

## General Instructions [Top](#)

### Purpose of Form [Top](#)

Use Form 720 and attachments to report your liability by IRS No. and pay the excise taxes listed on the form. If you report a liability on Part I or Part II, you may be eligible to use Schedule C to claim a credit.

### Who Must File [Top](#)

**Caution!** See [Patient-centered outcomes research \(PCOR\) fee \(IRS No. 133\)](#) in Part II for special rules about who must file to report the PCOR fee.

You must file Form 720 if:

- You were liable for, or responsible for collecting, any of the federal excise taxes listed on Form 720, Parts I and II, for a prior quarter and you haven't filed a final return; or
- You are liable for, or responsible for collecting, any of the federal excise taxes listed on Form 720, Parts I and II,

for the current quarter.

See [How To File](#), later, for more information.

## When To File [Top](#)

You must file a return for each quarter of the calendar year as follows.

Quarter covered	Due by
Jan., Feb., Mar.	April 30
Apr., May, June	July 31
July, Aug., Sept.	October 31
Oct., Nov., Dec.	January 31

If any due date for filing a return falls on a Saturday, Sunday, or legal holiday, you may file the return on the next business day.

Send your return to the IRS using the U.S. Postal Service or a designated private delivery service to meet the "timely mailing as timely filing/paying" rule. See [Private Delivery Services](#), later.

## Where To File [Top](#)

Send Form 720 to:

Department of the Treasury  
Internal Revenue Service  
Ogden, UT 84201-0009

## How To File [Top](#)

If you aren't reporting a tax that you normally report, enter a zero on the appropriate line on Form 720, Part I or II. Also, if you have no tax to report, enter "None" on Form 720, Part III, line 3; sign and date the return. If you file the second quarter Form 720 only to report the PCOR fee, no filing is required in other quarters unless you have to report other fees or taxes.

If you have adjustments to liabilities reported for prior quarters, see Form 720-X, Amended Quarterly Federal Excise Tax Return. Don't enter adjustments on Form 720.

If you attach additional sheets, enter your name and EIN on each sheet.

**Electronic filing.** [Top](#) You can electronically file Form 720 through any electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) participating in the IRS e-file program for excise taxes. For more information on e-file, go to [IRS.gov/e-file-providers/excise-tax-e-file-compliance-etec-programs-forms-720-2290-and-8849](https://www.irs.gov/e-file-providers/excise-tax-e-file-compliance-etec-programs-forms-720-2290-and-8849).

**Federal tax deposits made by electronic funds transfer (EFT).** [Top](#) Generally, you must use EFT to make federal tax deposits, such as deposits of employment tax, excise tax (for exceptions, see Payment of Taxes, later), and corporate income tax. Generally, EFTs are made using the Electronic Federal Tax Payment System (EFTPS). Additionally, as of October 2024, taxpayers can use IRS Direct Pay to make payments directly from their checking or savings accounts, without registering or enrolling with EFTPS. IRS Direct Pay for businesses is a free and secure payment application available at [IRS.gov/Directpay](https://www.irs.gov/Directpay). If you don't want to use EFTPS or IRS Direct Pay, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make deposits on your behalf. EFTPS

and IRS Direct Pay are free services provided by the Department of the Treasury.

To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](https://eftps.gov) or call 800-555-4477. See Pub. 966.

## Final Return [Top](#)

File a final return if you have been filing Form 720 and you:

1. Go out of business, or
2. Won't owe excise taxes that are reportable on Form 720 in future quarters.

**TIP.** *If you are only filing to report zero tax and you won't owe excise tax in future quarters, check the Final return box above Part I of Form 720.*

## Recordkeeping [Top](#)

Keep copies of your tax return, records, and accounts of all transactions to show that the correct tax has been paid.

Keep records to support all claims and all exemptions at least 4 years from the latest of the date:

- The tax became due,
- You paid the tax, or
- You filed a claim.

## Penalties and Interest [Top](#)

If you receive a notice about a penalty after you file this return, reply to the notice with an explanation and we will determine if you meet reasonable-cause criteria. Don't include an explanation when you file your return.

**Trust fund recovery penalty.** [Top](#) If communications, air transportation, and indoor tanning services taxes are collected but not paid to the U.S. Treasury or are willfully not collected, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid tax.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, and paying over these taxes, and who acted willfully in not doing so.

A responsible person can be an officer or employee of a corporation, a partner or employee of a partnership, an employee of a sole proprietorship, an accountant, or a volunteer director/trustee. A responsible person may also include one who signs checks for the business or otherwise has authority to cause the spending of business funds.

Willfully means voluntarily, consciously, and intentionally. A responsible person acts willfully if they know the required actions aren't taking place.

## Additional Information [Top](#)

You may find the following products helpful when preparing Form 720 and any attachments.

- Pub. 510, Excise Taxes, contains definitions and examples that will help you prepare Form 720. Pub. 510 also contains information on fuel tax credits and refunds.
- Pub. 509, Tax Calendars, has deposit and payment due dates for federal excise taxes listed in this publication.
- Notice 2005-4 (fuel tax guidance), 2005-2 I.R.B. 289, at [IRS.gov/IRB/2005-02\\_IRB#NOT-2005-4](https://www.irs.gov/irb/2005-02_IRB#NOT-2005-4).
- Notice 2005-24 (sales of gasoline on oil company credit cards), 2005-12 I.R.B. 757, at [IRS.gov/IRB/2005-12\\_IRB#NOT2005-24](https://www.irs.gov/irb/2005-12_IRB#NOT2005-24).

- Notice 2005-62 (biodiesel and aviation-grade kerosene), 2005-35 I.R.B. 443, at [IRS.gov/IRB/2005-35\\_IRB#NOT-2005-62](https://www.irs.gov/irb/2005-35_IRB#NOT-2005-62).
- Notice 2005-80 (LUST, kerosene, claims by credit card issuers, and mechanical dye injection), 2005-46 I.R.B. 953, at [IRS.gov/IRB/2005-46\\_IRB#NOT-2005-80](https://www.irs.gov/irb/2005-46_IRB#NOT-2005-80).
- Notice 2006-92 (alternative fuels and mixtures), 2006-43 I.R.B. 774, at [IRS.gov/IRB/2006-43\\_IRB#NOT-2006-92](https://www.irs.gov/irb/2006-43_IRB#NOT-2006-92).
- Notice 2007-97 (alternative fuel and alternative fuel mixtures), 2007-49 I.R.B. 1092, at [IRS.gov/IRB/2007-49\\_IRB#NOT-2007-97](https://www.irs.gov/irb/2007-49_IRB#NOT-2007-97).
- Notice 2008-110 (biodiesel and cellulosic biofuel), 2008-51 I.R.B. 1298, at [IRS.gov/IRB/2008-51\\_IRB#NOT-2008-110](https://www.irs.gov/irb/2008-51_IRB#NOT-2008-110).
- Notice 2010-68 (Alaska dyed diesel exemption), 2010-44 I.R.B. 576 at, [IRS.gov/IRB/2010-44\\_IRB#NOT-2010-68](https://www.irs.gov/irb/2010-44_IRB#NOT-2010-68).
- Notice 2012-27 (fractional aircraft), 2012-17 I.R.B. 849, at [IRS.gov/IRB/2012-17\\_IRB#NOT-2012-27](https://www.irs.gov/irb/2012-17_IRB#NOT-2012-27).
- T.D. 9670 (tanning tax), 2014-29 I.R.B. 121, at [IRS.gov/IRB/2014-29\\_IRB#TD9670](https://www.irs.gov/irb/2014-29_IRB#TD9670).
- T.D. 9621 (indoor tanning), 2013-28 I.R.B. 49 at, [IRS.gov/IRB/2013-28\\_IRB#TD9621](https://www.irs.gov/irb/2013-28_IRB#TD9621).
- Rev. Rul. 2016-03 (foreign reinsurance), 2016-3 I.R.B. 282, at [IRS.gov/IRB/2016-03\\_IRB#RR2016-03](https://www.irs.gov/irb/2016-03_IRB#RR2016-03).
- Rev. Rul. 2018-02 (butane mixture) at [IRS.gov/IRB/2006-92\\_IRB#RR2018-02](https://www.irs.gov/irb/2006-92_IRB#RR2018-02).
- Rev. Proc. 2023-34 (inflation adjustments), 2024-40 I.R.B., at [IRS.gov/IRB/2024-40\\_IRB#REV-PROC-2024-40](https://www.irs.gov/irb/2024-40_IRB#REV-PROC-2024-40).
- Notice 2022-59 (patient-centered outcomes research (PCOR) fee), 2022-48 I.R.B. 498, at [IRS.gov/NOT-2022-59](https://www.irs.gov/NOT-2022-59).
- T.D. 9948 (exemption for amounts paid for certain aircraft management services) at [IRS.gov/IRB/2021-06\\_IRB#TD-9948](https://www.irs.gov/irb/2021-06_IRB#TD-9948).
- Notice 2023-6 (sustainable aviation fuel credit) at [IRS.gov/IRB/2023-02\\_IRB#NOT-2023-6](https://www.irs.gov/irb/2023-02_IRB#NOT-2023-6).
- Announcement 2023-18 (stock buy backs) at [IRS.gov/pub/irs-drop/a-23-18.pdf](https://www.irs.gov/pub/irs-drop/a-23-18.pdf).
- Notice 2023-52 (sales of a designated drug during statutory period) at [IRS.gov/pub/irs-drop/n-23-52.pdf](https://www.irs.gov/pub/irs-drop/n-23-52.pdf).
- Notice 2023-28 (reinstatement of the Superfund excise taxes) at [IRS.gov/pub/irs-drop/n-23-28.pdf](https://www.irs.gov/pub/irs-drop/n-23-28.pdf).
- Rev. Proc. 2022-26 (request a determination that a substance be added to or removed from the list of taxable substances) at [IRS.gov/IRB/2022-29](https://www.irs.gov/irb/2022-29).
- Rev. Proc. 2023-20 (modifies the effective date of additions to the list of taxable substances) at [IRS.gov/IRB/2023-15](https://www.irs.gov/irb/2023-15).
- Notice 2024-6 (sustainable aviation fuel credit safe harbors) at [IRS.gov/IRB/2024-02\\_IRB#NOT-2024-6](https://www.irs.gov/irb/2024-02_IRB#NOT-2024-6).

## Private Delivery Services (PDSs) [Top](#)

You can use PDSs designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of designated services. The PDS can tell you how to get written proof of the mail date. For the IRS mailing address to use if you are using a PDS, go to [IRS.gov/PDSStreetAddresses](https://www.irs.gov/PDSStreetAddresses).

**Caution!** PDSs can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

## Photographs of Missing Children [Top](#)

The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

## Specific Instructions [Top](#)

### Name and Address [Top](#)

Enter your name, your address, and the quarter ending date (month and year). If your address changes, check the address change box above Form 720, Part I.

**P.O. box.** [Top](#) If the post office doesn't deliver mail to the street address and you have a P.O. box, show the box number instead of the street address.

**Foreign address.** [Top](#) Follow the country's practice for entering the postal code. Don't abbreviate the country name.

### Employer Identification Number (EIN) [Top](#)

Enter the correct EIN. If you are a one-time filer, you may not need an EIN. See *Gas guzzler tax (IRS No. 40)*, later. If you don't have an EIN, you may apply for one online by going to [IRS.gov/EIN](https://www.irs.gov/ein). You may also apply for an EIN by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS.

**Disregarded entities and qualified subchapter S subsidiaries.** [Top](#) Qualified subchapter S subsidiaries (QSubs) and eligible single-owner disregarded entities are treated as separate entities for excise tax and reporting purposes. QSubs and eligible single-owner disregarded entities must pay and report excise taxes (other than IRS Nos. 31, 51, and 117), register for most excise tax activities, and claim any refunds, credits, and payments under their EINs. These actions can't take place under the owner's taxpayer identification number (TIN). Some QSubs and disregarded entities may already have an EIN. However, if you are unsure, please call the IRS Business and Specialty Tax Line at 800-829-4933.

Generally, QSubs and eligible single-owner disregarded entities will continue to be treated as disregarded entities for other federal tax purposes (other than employment taxes). Thus, taxpayers filing Form 4136, Credit for Federal Tax Paid on Fuels, with Form 1040, U.S. Individual Income Tax Return, or 1040-SR, U.S. Tax Return for Seniors, can use the owner's TIN. For more information, see Regulations section 301.7701-2(c)(2).

### Signature [Top](#)

Form 720 must be signed by a person authorized by the entity to sign this return.

### Third Party Designee [Top](#)

If you want to allow an employee of your business, a return preparer, or another third party to discuss your Form 720 with the IRS, check the "Yes" box on Form 720 under *Third Party Designee*. Also, enter the designee's name and phone number, and any five digits that person chooses as their personal identification number (PIN).

By checking the "Yes" box, you are authorizing the IRS to speak with the designee to answer any questions relating to the processing of, or the information reported on, Form 720. You are also authorizing the designee to:

- Exchange information concerning Form 720 with the IRS, and
- Respond to certain IRS notices that you have shared with your designee relating to Form 720. The IRS won't send notices to your designee.

You aren't authorizing the designee to receive any refund check, bind you to anything (including additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authority, see [Pub. 947](#), Practice Before the IRS and Power of Attorney.

The authorization will automatically expire 1 year from the due date (without regard to extensions) for filing your Form 720. If you or your designee wants to revoke this authorization, send a written statement of revocation to:

Department of the Treasury  
Internal Revenue Service  
Cincinnati, OH 45999

See [Pub. 947](#) for more information.

## Paid Preparer Use Only [Top](#)

A paid preparer must sign Form 720 and provide the information in the *Paid Preparer Use Only* section at the end of the form if the preparer was paid to prepare the form and isn't an employee of the filing entity. The preparer must give you a copy of the form in addition to the copy to be filed with the IRS. If you are a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, you must also enter the firm's name and the EIN of the firm. However, you can't use the EIN of the tax preparation firm in place of your PTIN. You can apply for a PTIN online or by filing Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal. For more information about applying for a PTIN online, go to [IRS.gov/PTIN](https://irs.gov/PTIN).

### ftw: How to Add a Paid Preparer

1. Click on Edit IRS Reps (link appears below the Form 5330);
2. Click on Add New Rep;
3. Select the Rep added and start to complete the data for the Paid Preparer;
4. Once the Rep has been added, you will be able to go back to the 720 Checklist to select the Paid Preparer from the drop-down list on Line 13a.

## Part II [Top](#)

**Patient-centered outcomes research (PCOR) fee (IRS No. 133).** [Top](#) The PCOR fee is imposed on issuers of specified health insurance policies (section 4375) and plan sponsors of applicable self-insured health plans (section 4376) for policy and plan years ending on or after October 1, 2012. Generally, references to taxes on Form 720 include this fee.

**Specified health insurance policies.** [Top](#) For issuers of specified health insurance policies, the fee for a policy year ending on or after October 1, 2024, but before October 1, 2025, is \$3.47 (line 133(b)) (\$3.22 for a policy year ending on or after October 1, 2023, but before October 1, 2024 (line 133(a)), multiplied by the average number of lives covered under the policy for that policy year. Generally, issuers of specified health insurance policies must use one of the following four alternative methods to determine the average number of lives covered under a policy for the policy year.

1. The actual count method.
2. The snapshot method.
3. The member months method.
4. The state form method.

**ftw:** The instructions are not clear on how to submit prior year PCOR fees, but ftw has come up with a way so that users are provided an option to select other date ranges within the 720 Checklist to calculate prior fees only. See the instructions for [Penalties and Interest](#) for more information. The Final 720 will not update the fee within column (b) as it is a hard-coded fee placed by the IRS and users will receive an edit check warning when a date range is selected

that does not match the current Final 720. The fees will work as follows:

- Line 5b = 10/01/2024-9/30/2025 (\$3.47)- use this fee to match the most recent IRS Form 720 (Revised June 2025)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2024 = \$3.22
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2024-09/30/2025 = \$3.47

For delinquent filings, use:

- Line 5b = 10/01/2023-09/30/2024\* (\$3.22)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2023 = \$3.00
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2023-09/30/2024 = \$3.22
- Line 5b = 10/01/2022-09/30/2023 (\$3.00)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2022 = \$2.79
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2022-09/30/2023 = \$3.00
- Line 5b = 10/01/2021-09/30/2022 (\$2.79)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2021 = \$2.66
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2021-09/30/2022 = \$2.79
- Line 5b = 10/01/2020-09/30/2021 (\$2.66)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2020 = \$2.54
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2020-09/30/2021 = \$2.66
- Line 5b = 10/01/2019-09/30/2020 (\$2.54)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2019 = \$2.45
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2019-09/30/2020 = \$2.54
- Line 5b = 10/01/2018-09/30/2019 (\$2.45)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2018 = \$2.39
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2018-09/30/2019 = \$2.45
- Line 5b = 10/01/2017-09/30/2018 (\$2.39)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2017 = \$2.26
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2017-09/30/2018 = \$2.39
- Line 5b = 10/01/2016-09/30/2017 (\$2.26)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2016 = \$2.17
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2016-09/30/2017 = \$2.26
- Line 5b = 10/01/2015-09/30/2016 (\$2.17)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2015 = \$2.08
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2015-09/30/2016 = \$2.17
- Line 5b = 10/01/2014-09/30/2015 (\$2.08)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2014 = \$2.00
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2014-09/30/2015 = \$2.08
- Line 5b = 10/01/2013-09/30/2014 (\$2.00)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2013 = \$1.00
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2013-09/30/2014 = \$2.00
- Line 5b = 10/01/2012-09/30/2013 (\$1.00)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2012 = No
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2012-09/30/2013 = \$1.00

**Applicable self-insured health plans.** [Top](#) For plan sponsors of applicable self-insured health plans, the fee for a plan year ending on or after October 1, 2024, but before October 1, 2025, is \$3.47 (line 133(d)) (\$3.22 for a policy year ending on



or after October 1, 2023, but before October 1, 2024 (line 133(c)), multiplied by the average number of lives covered under the plan for that plan year. Generally, plan sponsors of applicable self-insured health plans must use one of the following three alternative methods to determine the average number of lives covered under a plan for the plan year.

1. Actual count method.
2. Snapshot method.
3. Form 5500 method.

**ftw:** The instructions are not clear on how to submit prior year PCOR fees, but ftw has come up with a way so that users are provided an option to select other date ranges within the 720 Checklist to calculate prior fees only. See the instructions for [Penalties and Interest](#) for more information. The Final 720 will not update the fee within column (b) as it is a hard-coded fee placed by the IRS and users will receive an edit check warning when a date range is selected that does not match the current Final 720. The fees will work as follows:

- Line 5b = **10/01/2024-09/30/2025\* (\$3.47) - use this fee to match the most recent IRS Form 720 (Revised June 2025)**
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2024 = \$3.22
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2024-09/30/2025 = \$3.47

For delinquent filings, use:

- Line 5b = 10/01/2023-09/30/2024 (\$3.22)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2023 = \$3.00
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2023-09/30/2024 = \$3.22
- Line 5b = 10/01/2022-09/30/2023 (\$3.00)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2022 = \$2.79
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2022-09/30/2023 = \$3.00
- Line 5b = 10/01/2021-09/30/2022 (\$2.79)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2021 = \$2.66
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2021-09/30/2022 = \$2.79
- Line 5b = 10/01/2020-09/30/2021 (\$2.66)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2020 = \$2.54
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2020-09/30/2021 = \$2.66
- Line 5b = 10/01/2019-09/30/2020 (\$2.54)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2019 = \$2.45
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2019-09/30/2020 = \$2.54
- Line 5b = 10/01/2018-09/30/2019 (\$2.45)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2018 = \$2.39
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2018-09/30/2019 = \$2.45
- Line 5b = 10/01/2017-09/30/2018 (\$2.39)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2017 = \$2.26
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2017-09/30/2018 = \$2.39
- Line 5b = 10/01/2016-09/30/2017 (\$2.26)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2016 = \$2.17
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2016-09/30/2017 = \$2.26
- Line 5b = 10/01/2015-09/30/2016 (\$2.17)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2015 = \$2.08
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2015-09/30/2016 = \$2.17

- Line 5b = 10/01/2014-09/30/2015 (\$2.08)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2014 = \$2.00
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2014-09/30/2015 = \$2.08
- Line 5b = 10/01/2013-09/30/2014 (\$2.00)
  - If Lines 6a and/or 7a are Yes because the date is before 10/01/2013 = \$1.00
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2013-09/30/2014 = \$2.00
- Line 5b = 10/01/2012-09/30/2013 (\$1.00)
  - If Lines 6a and/or 7a because the date is before 10/01/2012 = No
  - If Lines 6c and/or 7d are Yes because the date is within 10/01/2012-09/30/2013 = \$1.00

**Reporting and paying the fee.** [Top](#) File Form 720 annually to report and pay the fee on the second quarter Form 720 no later than July 31 of the calendar year immediately following the last day of the policy year or plan year to which the fee applies. Because the rate used to determine the fee varies from year to year, you should determine the fee using the instructions for the second quarter Form 720. If you file Form 720 only to report the fee, don't file Form 720 for the first, third, or fourth quarter of the year. If you file Form 720 to report quarterly excise tax liability for the first, third, or fourth quarter of the year (for example, filers reporting the foreign insurance tax (IRS No. 30), don't make an entry on the line for IRS No. 133 on those filings).

Deposits aren't required for this fee, so issuers and plan sponsors aren't required to pay the fee using EFTPS. However, if the fee is paid using EFTPS, the payment should be applied to the second quarter. See [Electronic deposit requirement](#) under [Payment of Taxes](#), later.

Report the average number of lives covered in column (a). Apply the applicable rate ((b) *Rate for avg. covered life*) and enter the fee in column (c).

Combine the fees for specified health insurance policies and applicable self-insured health plans and enter the total in the tax column on the line for IRS No. 133.

**More information.** [Top](#) For more information, including methods for calculating the average number of lives covered, see sections 4375, 4376, and 4377.

## Part III [Top](#)

**Line 4.** [Top](#) Report on Form 720, line 4, the total claims from Schedule C, line 15. See *Schedule C. Claims*, later.

**Line 6.** [Top](#) Include on line 6 the amount from line 11 of your previous return that you applied to this return and the amount from Form 720-X, line 5b.

**Note.** Include on line 6 of your next return the amount from line 11 you want to have applied to that return.

**Caution!** *If you owe other federal tax, interest, or penalty, the overpayment on line 11 and line 7 will first be applied to the unpaid amounts.*

**Line 10.** [Top](#) If line 3 is more than line 9, enter the difference on line 10. You don't have to pay if line 10 is under \$1.00. You may pay the amount shown on line 10 by EFTPS, check or money order, or, if filing electronically, electronic funds withdrawal (direct debit). If you pay by EFTPS or direct debit, don't file Form 720-V.

**Caution!** *If you don't deposit as required and, instead, pay the taxes with Form 720, you may be subject to a penalty.*

## Payment of Taxes [Top](#)

Generally, semimonthly deposits of excise taxes are required. A **semimonthly period** is the first 15 days of a month (the first semimonthly period) or the 16th through the last day of a month (the second semimonthly period).

However, no deposit is required for the situations listed below. The taxes are payable with the return.

- The net liability for taxes listed on Form 720, Part I, doesn't exceed \$2,500 for the quarter.
- The gas guzzler tax is being paid on a one-time filing. See *Gas guzzler tax (IRS No. 40)*, earlier.
- The PCOR fee is being paid with a second quarter Form 720. See *Patient-centered outcomes research (PCOR) fee (IRS No. 133)*, earlier.
- The liability is for taxes listed on Form 720, Part II, except the floor stocks tax, which generally requires a single deposit.

**Special rule for deposits of taxes in September 2025.** If you are required to make deposits, see the chart below. The special rule doesn't apply to taxes not required to be deposited (see [Payment of Taxes](#), later). See Regulations sections 40.6302(c)-2 and 40.6302(c)-3 for rules to figure the net tax liability for the deposits due in September.

<b><u>Additional deposit of taxes in September 2025</u></b>			
<b>For the Period</b>			
<b>Type of Tax</b>	<b>Beginning on</b>	<b>Ending on</b>	<b>Due Date</b>
Regular method taxes	Sept. 16	Sept. 26	Sept. 29
Alternative method taxes (IRS Nos. 22, 26, 27, and 28) (based on amounts billed)	Sept. 1	Sept. 11	Sept. 29

**Caution!** *Using the regular method: For the remaining days in September (27–30), make your deposits by the 10th day of October. Because October 11 is a Saturday, you must deposit the day before. Using the alternative method: For the remaining days in September (12–30), see Pub. 509 for deposit dates.*

## How To Make Deposits [Top](#)

To avoid a penalty, make your deposits timely and don't mail your deposits directly to the IRS. Records of your deposits will be sent to the IRS for crediting to your accounts.

**Electronic deposit requirement.** [Top](#) You must deposit all depository taxes (such as excise tax, employment tax, or corporate income tax) by EFT.

**Depositing on time.** [Top](#) For EFTPS deposits to be on time, you must initiate the transaction at least 1 day before the date the deposit is due (before 8:00 p.m. Eastern time).

If a deposit is due on a day that isn't a business day or that is a legal holiday, see [When To Make Deposits](#), later. The term "legal holiday" means any legal holiday in the District of Columbia.

**Same-day wire payment option.** [Top](#) If you fail to submit a deposit transaction on EFTPS by 8:00 p.m. Eastern time the day before the date a deposit is due, you can still make your deposit on time by using the Federal Tax Collection Service (FTCS). To use the same-day wire payment method, you will need to make arrangements with your financial institution

ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution may charge you a fee for payments made this way. To learn more about the information you will need to provide your financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).

**TIP.** *You will automatically be enrolled in EFTPS when you apply for an EIN. You will receive a separate mailing containing instructions for activating your EFTPS enrollment after you receive your EIN.*

## When To Make Deposits [Top](#)

There are two methods for determining deposits: the regular method and the alternative method.

The regular method applies to all taxes on Form 720, Part I, except for communications and air transportation taxes if deposits are based on amounts billed or tickets sold, rather than on amounts actually collected. See [Alternative method \(IRS Nos. 22, 26, 27 and 28\)](#), below.

If you are depositing more than one tax under a method, combine all the taxes under the method and make one deposit for the semimonthly period.

**Regular method.** [Top](#) The deposit of tax for a semimonthly period is due by the 14th day following that period. Generally, this is the 29th day of a month for the first semimonthly period and the 14th day of the following month for the second semimonthly period. If the 14th or the 29th day falls on a Saturday, Sunday, or legal holiday, you **must** make the deposit by the immediately **preceding** day that isn't a Saturday, Sunday, or legal holiday.

**Alternative method (IRS Nos. 22, 26, 27, and 28).** [Top](#) Deposits of communications and air transportation taxes may be based on taxes included in amounts billed or tickets sold during a semimonthly period instead of on taxes actually collected during the period. Under the alternative method, the tax included in amounts billed or tickets sold during a semimonthly period is considered collected during the first 7 days of the second following semimonthly period. The deposit of tax is due by the third business day after the seventh day of that period.

**Example.** The tax included in amounts billed or tickets sold for the period June 16-30, 2025, is considered collected from July 16-22, 2025, and must be deposited by July 25, 2025.

To use the alternative method, you must keep separate accounts of the tax included in amounts billed or tickets sold during the month and report on Form 720 the tax included in amounts billed or tickets sold and not the amount of tax that is actually collected. For example, amounts billed in December, January, and February are considered collected during January, February, and March and are reported on Form 720 as the tax for the first quarter of the calendar year.

The separate account for each month must reflect:

1. All items of tax included in amounts billed or tickets sold during the month, and
2. Other items of adjustment relating to tax for prior months (within the statute of limitations on credits or refunds).

The separate account for any month can't include an adjustment resulting from a refusal to pay or inability to collect unless the refusal has been reported to the IRS. See *Communications and Air Transportation Taxes Uncollected Tax Report*, earlier.

The net tax liability that is considered collected during the semimonthly period must be either:

- The net amount of tax reflected in the separate account for the corresponding semimonthly period of the preceding month, or

- One-half of the net amount of tax reflected in the separate account for the preceding month.

## Amount To Deposit [Top](#)

Deposits of taxes for a semimonthly period must be at least 95% of the amount of net tax liability for that period, unless the safe harbor rule applies. See [Safe Harbor Rule](#), later.

The net tax liability for a semimonthly period is the total liability for the period minus any claims allowed on Schedule C for the period. Net tax liability for a semimonthly period may be figured by dividing the net tax liability for the month by 2, provided this method of computation is used for all semimonthly periods in the calendar quarter.

**Caution!** *The net tax liability for a semimonthly period isn't reduced by any amounts from Form 720-X.*

## Safe Harbor Rule [Top](#)

The safe harbor rule applies separately to deposits under the regular method and the alternative method. Persons who filed Form 720 for the lookback quarter (the second calendar quarter preceding the current quarter) are considered to meet the semimonthly deposit requirement if the deposit for each semimonthly period in the current quarter is at least  $\frac{1}{6}$  (16.67%) of the net tax liability reported for the lookback quarter.

For the semimonthly period for which the additional deposit is required (September 1-11 and 16-26), the additional deposit must be at least  $\frac{11}{90}$  (12.23%), of the net tax liability reported for the lookback quarter. Also, the total deposit for that semimonthly period must be at least  $\frac{1}{6}$  (16.67%) of the net tax liability reported for the lookback quarter.

**Exceptions.** The safe harbor rule doesn't apply to the following quarters.

- The first and second quarters beginning on or after the effective date of an increase in the rate of tax unless the deposit of taxes for each semimonthly period in the calendar quarter is at least  $\frac{1}{6}$  (16.67%) of the tax liability you would have had for the lookback quarter if the increased rate of tax had been in effect for that lookback quarter.
- Any quarter if liability includes any tax not in effect throughout the lookback quarter.
- For deposits under the alternative method, any quarter if liability includes any tax not in effect throughout the lookback quarter and the month preceding the lookback quarter.

**Requirements to be met.** For the safe harbor rule to apply, you must pay any underpayment for the current quarter by the due date of the return and check the box on line 5 of Form 720.

**Caution!** *The IRS may withdraw the right to make deposits of tax using the safe harbor rule from any person not complying with these rules.*

## Online Payment Agreement [Top](#)

If you can't pay the full amount of tax owed, you can apply for an installment agreement online. You can apply for an installment agreement online if the total amount you owe in combined tax, penalties, and interest is \$25,000 (\$50,000 for individuals) or less, and you've filed all required returns. To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://www.irs.gov/OPA).

**Privacy Act and Paperwork Reduction Act Notice.** [Top](#) We ask for the information on these forms in order to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Miscellaneous excise taxes are imposed under subtitle D of the Internal Revenue Code. These forms are used to

determine the amount of tax that you owe. Section 6011 requires you to provide the requested information. Section 6109 requires you to provide your identifying number. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. Failure to provide this information in a timely manner or providing false or fraudulent information may subject you to penalties.

You aren't required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file these forms and related schedules will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing, copying, assembling and sending the form to the IRS
720	8 hr., 59 min.	1 hr., 5 min.	2 hr., 3 min.
720-X	6 hr., 13 min.	0 hr., 18 min.	0 hr., 24 min.

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