[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Superfund Tax on Chemical Substances; Request to Modify List of Taxable Substances; Notice of Filing for Iso-butanol

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of filing and request for comments.

SUMMARY: This notice of filing announces that a petition has been filed requesting that iso-butanol be added to the list of taxable substances. This notice of filing also requests comments on the petition. This notice of filing is not a determination that the list of taxable substances is modified.

DATES: Written comments and requests for a public hearing must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Commenters are encouraged to submit public comments or requests for a public hearing relating to this petition electronically via the Federal eRulemaking Portal at http://www.regulations.gov (indicate public docket number IRS-2024-0007 or iso-butanol) by following the online instructions for submitting comments. Comments cannot be edited or withdrawn once submitted to the Federal eRulemaking Portal. Alternatively, comments and requests for a public hearing may be mailed to: Internal Revenue Service, Attn: CC:PA:01:PR (Notice of Filing for Iso-butanol), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington D.C. 20044. All comments received are part of the public record and subject to public disclosure. All comments received will be posted without change to www.regulations.gov, including any personal information provided. You should submit only information that you wish to make publicly available.

If a public hearing is scheduled, notice of the time and place for the hearing will be published in the *Federal Register*.

FOR FURTHER INFORMATION CONTACT: Camille Edwards Bennehoff at (202) 317-6855 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Request to Add Substance to the List:

(a) *Overview*. A petition was filed pursuant to Rev. Proc. 2022-26 (2022-29 I.R.B. 90), as modified by Rev. Proc. 2023-20 (2023-15 I.R.B. 636), requesting that iso-butanol be added to the list of taxable substances under section 4672(a) of the Internal Revenue Code (List). The petition requesting the addition of iso-butanol to the List is based on weight and contains the information detailed in paragraph (b) of this document. The information is provided for public notice and comment pursuant to section 9 of Rev. Proc. 2022-26. The publication of petition information in this notice of filing is not a determination and does not constitute Treasury Department or IRS confirmation of the accuracy of the information published.

(b) *Petition Content.*

(1) *Substance name:* Iso-butanol

The substance is also known as isobutanol, iso butyl alcohol, 2-methyl propan-1-

ol, or 2-methyl-1-propanol.

(2) *Petitioner:* OQ Chemicals Corporation, an exporter of iso-butanol

(3) *Proposed classification numbers:*

(i) *HTSUS number:* 2905.14.50.10

(ii) *Schedule B number:* 2905.14.5010

(iii) *CAS number:* 78-83-1

(4) *Petition filing dates:*

(i) *Petition filing date for purposes of making a determination:* January 25, 2024

(ii) *Petition filing date for purposes of section 11.02 of Rev. Proc. 2022-26, as modified by section 3 of Rev. Proc. 2023-20:* April 1, 2023

(5) *Description from petition:* According to the petition, iso-butanol is an isomer of n-butanol. Iso-butanol is a four carbon branched aliphatic alcohol. It is used as a solvent or in the manufacture of esters, such as isobutyl acetate, isobutyl acrylate, and isobutyl methacrylate.

Iso-butanol is made from methane and propylene. Taxable chemicals constitute 78.41 percent by weight of the materials used to produce this substance.

(6) *Process identified in petition as predominant method of production of substance:* Iso-butanol is co-produced by hydroformylation of propylene to produce both iso-butyraldehyde and n-butyraldehyde followed by hydrogenation of the aldehyde intermediates to the corresponding iso-butanol and n-butanol.

An explanation of the predominant method of production:

a. Partial oxidation of methane with oxygen to produce synthesis gas, a mixture of carbon monoxide and hydrogen. OQ uses a Partial Oxidation (POX) process that is non catalytic but operates at >1300 deg C and >40 atm pressure. Thus,

synthesis gas is produced from methane and oxygen:

$CH_4 + ½ O_2 \rightarrow CO + 2H_2$

b. Oxo process: Hydroformylation of propylene with carbon monoxide and hydrogen over a catalyst to produce iso-butyraldehyde. (Reaction also produces normal butyraldehyde simultaneously not shown for simplification; stoichiometry is the same for either the iso or the normal aldehyde.) Thus, iso-butyraldehyde is produced from propylene and syngas.

$CO + H_2 + CH_2 =CH-CH_3 \rightarrow (CH_3)_2\text{-}CH\text{-}CHO$

c. Iso-butyraldehyde is hydrogenated with hydrogen over a catalyst. Thus, iso-butanol is produced from iso-butyraldehyde and hydrogen.

$(CH_3)_2\text{-}CH\text{-}CHO + H_2 \rightarrow (CH_3)_2CHCH_2OH$

(7) *Stoichiometric material consumption equation, based on process identified as predominant method of production:*

CH_4 (methane) + ½ O_2 + CH_2 = CH-CH_3 (propylene) → $(CH_3)_2CHCH_2OH$ (iso-butanol)

(8) *Tax rate calculated by Petitioner, based on Petitioner's conversion factors for taxable chemicals used in production of substance:*

(i) *Tax rate:* $7.07 per ton

(ii) *Conversion factors:* 0.22 for methane, 0.57 for propylene

(9) *Public docket number:* IRS-2024-0007

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