



Dear Alexander Chemical Customer:

The 2021 Infrastructure Investment and Jobs Act has a provision that reinstates and amends the Superfund Excise Tax effective July, 1<sup>st</sup> 2022.

Internal Revenue Code Section 4661 authorizes an excise tax to be put on certain chemicals that are either manufactured in the United States or those that have been imported for the purpose of consumption, use or warehousing.

In addition, Internal Revenue Code Section 4672 mandates that an excise tax be placed on specific chemical substances imported into the U.S. that are intended for consumption, use or warehousing.

The per-ton tax rate will vary based on the sale of the taxable chemical or its use in the manufacturing of products. This means that the amount of the superfund tax will differ based on product. The tax rates for the affected chemicals will be between \$0.44 to \$9.74 per short ton.

The below graph illustrates which products will be impacted by the excise tax.

Alexander Chemical realizes that this governmental tax will have a notable effect on our customers. We appreciate your understanding and support as everyone works to manage these new tax regulations.

We greatly value your business partnership with Alexander Chemical.

Sincerely,

Robert Davidson  
 President  
 Alexander Chemical

Taxable Chemical	Alias	\$/Short Ton	Cent/LB
Ammonia		5.28	0.00264
Chlorine		5.40	0.00270
Hydrochloric acid	HCl	0.58	0.00029
Nitric acid		0.48	0.00024
Phosphorus	Phosphoric acid	8.90	0.00445
Potassium hydroxide	Caustic potash	0.44	0.00022
Sodium hydroxide	Caustic soda	0.56	0.00028
Sulfuric acid		0.52	0.00026

Taxable Substance	Alias	\$/Short Ton	Cent/LB
Ammonium hydroxide	Aqua	0.40-1.60	0.0002-0.0008
Sodium hypochlorite	Bleach	0.80-1.00	0.0004-0.0005