

Oil Spill Tax

RCW

Chapter 82.23B

Tax Base

Crude oil or petroleum products transported into Washington by ship, barge, or railroad tank car and off-loaded at an in-state marine terminal or a bulk oil terminal.

The measure of the Oil Spill Response tax and the Oil Spill Administration tax is on the volume of qualifying crude oil or petroleum products.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

Tax Rate

Up to 5 cents per 42-gallon barrel:

- The Oil Spill Administration Tax rate is 4 cents per 42-gallon barrel.
 - The Oil Spill Response Tax rate is 1 cent per 42-gallon barrel, contingent on the fund balance in the oil spill response account. When the fund balance is less than \$8 million this tax is imposed and will remain in effect until the fund balance exceeds \$9 million.
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Recent Collections (\$000)

Fiscal Year	Collections	% Change	% of All State Taxes
2016	\$4,016	26.1%	0.02%
2015	\$3,184	-12.6%	0.02%
2014	\$3,641	-13.5%	0.02%
2013	\$4,211	17.9%	0.03%
2012	\$3,571	-6.7%	0.02%
2011	\$3,828	2.6%	0.03%
2010	\$3,731	-24.9%	0.03%
2009	\$4,966	9.2%	0.03%
2008	\$4,547	53.0%	0.03%
2007	\$2,972	-43.8%	0.02%

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Distribution of Receipts	<p>Oil Spill Administration receipts are deposited into the Oil Spill Prevention Account and the Oil Spill Response receipts are deposited into the Oil Spill Response Account.</p> <p>Oil Spill Prevention Account receipts are used to fund:</p> <ul style="list-style-type: none">• The prevention and response to oil spills in state waters and the control of water pollution.• Administrative and other prevention costs incurred by the Department of Ecology and the Office of Marine Safety. <p>Oil Spill Response Account receipts are used for:</p> <ul style="list-style-type: none">• Costs associated with the response to spills, and the imminent threat of spills, of crude oil or petroleum products into state waters.• Costs associated with the use of an emergency response towing vessel.
Levied by	State
Administration	<p>Department of Revenue.</p> <p>The tax is imposed on the person who owns the crude oil or petroleum products when the crude oil or petroleum products are received in the storage tanks of a marine terminal or a bulk oil terminal in Washington.</p> <p>Terminal operators, or taxpayers with direct pay certificates, remit the taxes monthly on the Oil Spill Tax Return. The return is due the 25th of the month following the taxable activity.</p>

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History	2015 The tax was extended to oil received at bulk oil terminals from railroad tank cars.
	1999 The trigger levels for the suspension and re-imposition of the 1 cent tax were reduced by \$1 million.
	1998 The tax rates were changed to 4 cents per barrel for the administration account and 1 cent for the response account.
	1997 The program's administration was transferred to the Department of Ecology.
	1992 The imposition of the tax was changed from the owner of the product at the time just prior to off-loading, to the owner when the product is transferred to storage tanks.
	1991 The tax was adopted at the initial rates of 3 cents per gallon for the administration account and 2 cents for the response account. The statute also created the Office of Marine Safety to administer subsequent programs.

Rate Change History The history of the changes in oil spill tax rates is shown below:

Rate Change Date	Administration Rate	Response Rate
October 1, 1991	3 cents	2 cents
January 1, 1998	4 cents	1 cent
January 1, 2002	4 cents	--
April 1, 2007	4 cents	1 cent
October 1, 2009	4 cents	--
January 1, 2013	4 cents	1 cent
April 1, 2013	4 cents	--
January 1, 2016	4 cents	1 cent
