

Combine oil spill taxes and tax crude oil and petroleum products at 5% or 0.7% of value of product

- Description** This proposal would:
- Combine the oil spill response tax and the oil spill administration tax into a single tax based on the *wholesale value* of crude oil and petroleum products *rather than on volume*.
 - **Option 146** - Impose a tax rate of 5.0 % (based on wholesale value) *or*
 - **Option 147** - Impose a tax rate of 0.7% (based on wholesale value);
 - Deposit a percentage of tax receipts to the oil spill response account and the oil spill prevention account. These accounts fund oil spill cleanup and prevention and preparedness programs administered by the Department of Ecology (DOE); and
 - Deposit the remainder of the tax receipts into the General Fund.
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Current Law Chapter 82.23B RCW currently imposes a) an oil spill response tax (one cent per 42-gallon barrel) and b) an oil spill administration tax (four cents per 42-gallon barrel). These taxes are imposed on the privilege of receiving crude oil and petroleum products at a marine terminal in this state.

The oil spill response tax:

- Proceeds are deposited into the oil spill response account to fund the state's response to oil spills for which cleanup costs exceed \$50,000.
- The tax is suspended when the fund balance in the oil spill response account exceeds \$9 million.
- The tax is re-imposed when the fund balance in the account is \$8 million or less.
- The tax is currently suspended.

The oil spill administration tax: Proceeds are deposited to the oil spill prevention account to fund the state's oil spill prevention and preparedness programs.

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Revenue Impact

General Fund Impacts (\$ millions):

Option	Volumetric Rate	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
146	5%	\$0	\$408.3	\$408.3
147	0.7%	\$0	\$60.4	\$60.4

Notes:

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
- *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*

Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$0	\$0