WASHINGTON STATE DEPARTMENT OF REVENUE

SPECIAL NOTICE

April 10, 2003

For further information contact:
Telephone Information Center
1-800-647-7706 or (360) 486-2345

Alternate Formats (360) 486-2342
Teletype 1-800-451-7985

Petroleum Products Tax Re-imposed

The petroleum products tax will be re-imposed beginning July 1, 2003.

What is the Petroleum Products Tax?
In 1989, the Legislature enacted the petroleum products tax (PPT) to finance a state pollution liability insurance program. The program provides affordable insurance to owners and operators of underground petroleum storage tanks and heating oil tanks. PPT revenues are dedicated to a trust account that funds the insurance program. The PPT is imposed on the first possessor of petroleum products in Washington as defined in Chapter 82.23A RCW.

Why is the PPT being Re-imposed?
The law provides that the PPT will not be imposed if the balance in the trust account is more than $15 million. In 1993, the account balance exceeded $15 million. The tax was suspended at that time.

The law further notes that the PPT should be re-imposed if the account balance is below $7.5 million. At the end of the first quarter of 2003, the trust account balance dipped below $7.5 million. According to statute, the PPT must be re-imposed, starting July 1, 2003.

How is the PPT Remitted?
Businesses that first possess petroleum products in Washington must calculate the tax due on line 54 of the *Combined Excise Tax Return*, beginning with the July 2003 tax return.

For more information, contact our Telephone Information Center at 1-800-647-7706.

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