Oil Spill Tax

82.23B.030 - Secondary transportation

Description

Successive receipt or transportation of crude oil or petroleum products is exempt from the oil spill tax after the initial receipt of the same products at a marine terminal.

Purpose

This credit restricts the tax to the initial off-loading of crude oil or petroleum product in Washington.

Taxpayer savings

($ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Repealing this exemption would not increase revenues.

Potential revenue gains from full repeal

($ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

In order for this exemption to be applicable, oil would have to be off-loaded in Washington from a vessel, reloaded onto another vessel and then off-loaded a second time in the state. It is assumed that this scenario does not happen.

Data Sources

None

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1991
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

82.23B.040 - Exported petroleum products

Description

Taxpayers may claim a credit against oil spill tax paid on crude oil or petroleum products subsequently exported or sold for export from the state.

Purpose

Allows the tax to apply only to products consumed within the state.

Taxpayer savings

($ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	$2.379	$2.004	$1.817	$1.629
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

A repeal of this exemption would increase revenues.

Potential revenue gains from full repeal

($ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	$0.000	$1.837	$1.817	$1.629
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- Growth rate mirrors the 4 cent oil tax for administration growth rate reflected in the Department of Revenue's February 2015 Non-General Fund forecast.
- Eleven months of cash collections in Fiscal Year 2017 due to July 1, 2016 effective date.

Data Sources

- Department of Revenue tax return data
- Department of Revenue's February 2015 Non-General Fund forecast

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1991
Primary Beneficiaries:	Exporters of crude oil or petroleum products that were off-loaded in this state
Taxpayer Count:	20
Program Inconsistency:	Since crude oil or petroleum that is shipped through the state for export is no less likely to spill than similar products that remain in the state, this credit could be considered as being inconsistent with the oil spill prevention and response program
JLARC Review:	Excluded from JLARC review

82.23B.045 - Credit for nonfuel uses of crude oil petroleum products

Description

Taxpayers may claim a credit against oil spill tax paid on crude oil or petroleum products:

(1) not used as fuel or
(2) used as a component or ingredient in a manufacturing process.

Purpose

Ensures the tax applies only to crude oil or petroleum used as fuel.

Taxpayer savings

($ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	$0.125	$0.105	$0.096	$0.086
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

($ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	$0.000	$0.097	$0.096	$0.086
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- Growth rate mirrors the 4 cent oil tax for administration growth rate reflected in the Department of Revenue's February 2015 Non-General Fund forecast.
- Eleven months of cash collections in Fiscal Year 2017 due to July 1, 2016 effective date.

Data Sources

- Department of Revenue tax return data
- Department of Revenue's February 2015 Non-General Fund forecast

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1991
Primary Beneficiaries:	Petroleum refiners
Taxpayer Count:	20
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013