

# Petroleum Products





### 82.23A.010(1) - Crude oil excluded

Description	The definition of petroleum products includes a variety of products derived from crude oil but excludes crude oil itself. This definition expires July 1, 2020.									
Purpose	To avoid taxing	both crude oil	and substances deri	ved from crude oi	l.					
Taxpayer	(\$ in millions):									
savings		FY 2016	FY 2017	FY 2018	FY 2019					
	State Taxes	\$24.60	4 \$0.000	\$25.861	\$0.000					
	Local Taxes	\$0.00	\$0.000	\$0.000	\$0.000					
Repeal of exemption Potential		l during Fiscal Y again in Fiscal Y	ld increase revenue ear 2010. It is expec ear 2018.							
revenue gains	(ș în minons)	FY 2016	FY 2017	FY 2018	FY 2019					
from full repeal	State Taxes	\$0.00		\$25.861	\$0.000					
	Local Taxes	\$0.00		\$0.000	\$0.000					
Assumptions	reflected in - The petrole 9 mont 6 mont	n Global Insight eum products ta hs in Fiscal Yea hs in Fiscal Yea		ecast.						
Data Sources	<ul> <li>Department of Ecology petroleum and refinery data</li> <li>Department of Revenue February 2015 Non-General Fund Forecast, Pollution Liability Insurance Account</li> <li>Global Insight February 2015 forecast</li> </ul>									
Additional	Additional Ir	nformation								
Information	Category:		x base							
	Year Enacted		89							
	Primary Bene		fineries, other impo	orters of crude oil						
	Taxpayer Cou									
	Program Inco		one evident							
	JLARC Review		ARC completed an e	expedited review i	n 2012					
				•						

# 82.23A.010(1) - Liquefied gasses excluded

Description	The definition of taxable petroleum products excludes liquefied or liquefiable gasses such as propane and butane. This definition expires July 1, 2020.							
Purpose	This exclusion assumes fuel in a gaseous state imposes much less risk to the environment.							
Taxpayer	(\$ in millions):							
savings		FY 2016		FY 2017	FY 2018	FY 2019		
	State Taxes	\$0.2		\$0.000	\$0.171	\$0.000		
	Local Taxes	\$0.0	000	\$0.000	\$0.000	\$0.000		
Repeal of exemption		during Fisca	l Yea	increase revenues r 2010. It is expect r 2018.				
Potential	(\$ in millions)	:						
revenue gains		FY 2016		FY 2017	FY 2018	FY 2019		
from full repeal	State Taxes	\$0.0	000	\$0.000	\$0.171	\$0.000		
	Local Taxes	\$0.0	000	\$0.000	\$0.000	\$0.000		
Assumptions	<ul> <li>The petrole months in</li> <li>Washingto</li> <li>3 percent p</li> <li>The average</li> </ul>	eum products Fiscal Year 20 n State liquef per year.	s tax i )18. fied p uefieo	results in no cash is imposed for 9 m etroleum gas con d petroleum gas is	nonths in Fiscal Ye sumption is estim	ear 2016 and 6 nated to grow by		
Data Sources	<ul> <li>US Energy Information Administration</li> <li>Department of Revenue February 2015 Non-General Fund Forecast, Pollution Liability Insurance Account</li> <li>Global Insight February 2015 forecast</li> </ul>							
Additional	Additional In	oformation						
Information	Category:		Busir	ness				
	Year Enacted		2004					
	Primary Bene			rters or producer	s of liquefied net	roleum gas		
	Taxpayer Cou		150		s or inquerieu peti			
	Program Inco			e evident				
					o roviou in 2010			
	JLARC Review	<i>I</i> :	JLAK	C has scheduled t	o review in 2016			

### 82.23A.030(1) - Successive uses of petroleum

Description	Successive possession of previously taxed petroleum products is exempt from the tax. This exemption expires July 1, 2020.									
Purpose	To ensure the tax applies only to the first use of petroleum products within the state.									
Taxpayer	(\$ in millions):									
savings		FY 2016	5	FY 2017	FY 2018	FY 2019				
	State Taxes	\$82	.796	\$0.000	\$72.103	\$0.000				
	Local Taxes	\$0	.000	\$0.000	\$0.000	\$0.000				
Repeal of exemption		during Fisca	al Yea	increase revenues r 2010. It is expec r 2018.	•	-				
Potential	(\$ in millions)	:								
revenue gains		FY 2016	5	FY 2017	FY 2018	FY 2019				
from full repeal	State Taxes	\$0	.000	\$0.000	\$72.103	\$0.000				
	Local Taxes	\$0	.000	\$0.000	\$0.000	\$0.000				
Assumptions Data Sources	Departmer forecast m - The petrole months in - A July 1, 20	nt of Revenu irrors the gro eum product Fiscal Year 2	e's Fe owth i ts tax 018. date	ardous substance bruary 2015 non- in crude oil prices. is imposed for 9 n results in no cash se tax data	general fund fore nonths in Fiscal Ye	cast, as this ear 2016 and 6				
Data Sources	•			bruary 2015 non-	general fund fore	cast				
Additional	Additional I	nformation								
Information	Category:		Tax	pase						
	Year Enacted		1989							
	Primary Bene			lesalers, distribut	ors and retailers o	of petroleum				
	Taxpayer Cou	int:	200							
	Program Inco	nsistency:	Non	e evident						
	JLARC Review	<i>I</i> :	JLAR	C completed an e	xpedited review i	n 2012				

### 82.23A.030(2) - Domestic uses of petroleum

Description	Petroleum used by persons (not businesses) for personal or domestic purposes is exempt from petroleum products tax. This exemption expires July 1, 2020. To ensure the tax applies only to businesses that import or produce petroleum in this state.								
Purpose									
Taxpayer	(\$ in millions):								
savings		FY 2016		FY 2017	FY 2018	FY 2019			
	State Taxes	\$0.	174	\$0.000	\$0.112	\$0.000			
	Local Taxes	\$0.0	000	\$0.000	\$0.000	\$0.000			
Repeal of exemption		l during Fisca	l Year 20	10. It is expect	s. The petroleum ted to be reactiva	•			
Potential	(\$ in millions)	:							
revenue gains		FY 2016		FY 2017	FY 2018	FY 2019			
from full repeal	State Taxes	\$0.0	000	\$0.000	\$0.112	\$0.000			
	Local Taxes	\$0.0	000	\$0.000	\$0.000	\$0.000			
Assumptions	<ul> <li>This represents minimum amount of petroleum products that are exempt from petroleum products tax due to domestic use.</li> <li>The growth rate for the domestic use of petroleum products decreases by 2 percent annually into the future.</li> <li>The petroleum products tax is imposed for 9 months in Fiscal Year 2016 and 6 months in Fiscal Year 2018.</li> <li>A July 1, 2016 effective date results in no cash collections for Fiscal Year 2016.</li> </ul>								
Data Sources	- Departmer	•••	Februar	n Administrati					
	- Departmer	nt of Revenue Surance Accor	Februar	n Administrati	on				
Additional	<ul> <li>Departmer</li> <li>Liability Ins</li> </ul>	nt of Revenue Surance Accor	Februar	n Administrati y 2015 Non-G	on				
Additional	<ul> <li>Departmer</li> <li>Liability Ins</li> <li>Additional Ir</li> </ul>	nt of Revenue surance Account	Februar unt	n Administrati y 2015 Non-G	on				
Additional	<ul> <li>Departmer Liability Ins</li> <li>Additional In Category: Year Enacted:</li> </ul>	nt of Revenue surance Account	Februar unt Individu: 1989	n Administrati y 2015 Non-G als	on eneral Fund Fore	cast, Pollution			
Additional	<ul> <li>Departmer Liability Ins</li> <li>Additional In Category: Year Enacted: Primary Bene</li> </ul>	nformation ficiaries:	Februar unt Individu: 1989	n Administrati y 2015 Non-G als iness users of	on	cast, Pollution			
Data Sources Additional Information	<ul> <li>Departmer Liability Ins</li> <li>Additional In Category: Year Enacted:</li> </ul>	nformation ficiaries:	Februar unt Individu 1989 Non-bus	n Administrati y 2015 Non-G als iness users of n	on eneral Fund Fore	cast, Pollution			

#### 82.23A.030(3) - Constitutional or Federal prohibition on netroleum

Description	Petroleum products tax does not apply to persons or activities which the state cannot tax under the U.S. Constitution. This exemption expires July 1, 2020.					
Purpose			se of petroleum pro e in the process of	•	•	
Taxpayer	(\$ in millions):					
savings		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	
	(\$ in millions):					
revenue gains		FY 2016	FY 2017	FY 2018	FY 2019	
revenue gains	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Potential revenue gains from full repeal						
revenue gains	State Taxes	\$0.000 \$0.000	\$0.000 \$0.000	\$0.000	\$0.000	
revenue gains from full repeal Assumptions	State Taxes Local Taxes	\$0.000 \$0.000	\$0.000 \$0.000	\$0.000	\$0.000	
revenue gains from full repeal Assumptions	State Taxes Local Taxes Collecting tax rev None	\$0.000 \$0.000 enue would be	\$0.000 \$0.000	\$0.000	\$0.000	
revenue gains from full repeal Assumptions Data Sources Additional	State Taxes Local Taxes Collecting tax rev	\$0.000 \$0.000 enue would be	\$0.000 \$0.000	\$0.000	\$0.000	
revenue gains from full repeal Assumptions Data Sources Additional	State Taxes Local Taxes Collecting tax rev None Additional Info	\$0.000 \$0.000 enue would be	\$0.000 \$0.000 unconstitutional.	\$0.000	\$0.000	
revenue gains from full repeal Assumptions Data Sources Additional	State Taxes         Local Taxes         Collecting tax rev         None         Additional Info         Category:	\$0.000 \$0.000 enue would be prmation Inter 1989	\$0.000 \$0.000 unconstitutional.	\$0.000 \$0.000	\$0.000 \$0.000	
revenue gains from full repeal Assumptions Data Sources Additional	State Taxes         Local Taxes         Collecting tax rev         None         Additional Info         Category:         Year Enacted:	\$0.000 \$0.000 enue would be ormation Inter 1989 iaries: The f	\$0.000 \$0.000 unconstitutional.	\$0.000 \$0.000	\$0.000 \$0.000	
revenue gains from full repeal Assumptions Data Sources	State Taxes         Local Taxes         Collecting tax rev         None         Additional Info         Category:         Year Enacted:         Primary Benefic	\$0.000 \$0.000 enue would be inter 1989 iaries: The finance istency: None	\$0.000 \$0.000 unconstitutional.	\$0.000 \$0.000 t and Indian tribes	\$0.000 \$0.000	

#### 82.23A.030(4) - Petroleum used prior to 7/1/89

Description	Possession of petroleum before the effective date of tax (July 1, 1989) is exempt. This exemption expires July 1, 2020.						
Purpose	Prevents the tax from applying to petroleum on which the owners did not anticipate having to pay tax.						
Taxpayer	(\$ in millions):						
savings		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		
exemption Potential	(\$ in millions):						
revenue gains		FY 2016	FY 2017	FY 2018	FY 2019		
from full repeal	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Assumptions	No petroleum p Washington Stat		d prior to July 1, 19	989 remain in inve	ntory in		
Data Sources	None						
Additional	Additional Inf	formation					
Information	Category:	Tax	base				
	Year Enacted:	198	39				
	Primary Benef	iciaries: No	ne				
	Taxpayer Coun	nt: 0					
	Program Incon	sistency: No	ne evident				
	<b>JLARC Review:</b>	JLA	RC completed an e	xpedited review in	n 2012		

### 82.23A.030(5) - Fuel used to process petroleum products

Description	Natural gas, petroleum coke, liquid fuel, and fuel gas used in processing of petroleum products is exempt from the petroleum products tax. This exemption expires July 1, 2020.							
Purpose	Excludes fuels consumed in processing and restricts the tax to products sold at retail.							
Taxpayer								
savings		FY 2016		FY 2017	FY 2018	FY 2019		
	State Taxes	\$0.	839	\$0.000	\$0.559	\$0.000		
	Local Taxes	\$0.	000	\$0.000	\$0.000	\$0.000		
Repeal of exemption		l during Fisca	l Yea	increase revenues r 2010. It is expec r 2018.				
Potential	(\$ in millions)	:						
revenue gains		FY 2016		FY 2017	FY 2018	FY 2019		
from full repeal	State Taxes	\$0.	000	\$0.000	\$0.559	\$0.000		
	Local Taxes	\$0.	000	\$0.000	\$0.000	\$0.000		
Assumptions	months in	Fiscal Year 20	)18.	is imposed for 9 n results in no cash				
Data Sources	<ul> <li>Washingto</li> <li>WA Energy</li> <li>Department</li> </ul>	<ul> <li>US Energy Information Administration</li> <li>Washington State Department of Commerce, Carbon Tax Assessment Model, WA Energy Forecast 2015</li> <li>Department of Revenue February 2015 Non-General Fund Forecast, Pollution Liability Insurance Account</li> </ul>						
Additional	Additional I	nformation						
Information	Category:		Tax	base				
	Year Enacted		1989					
	Primary Bene			oleum refiners				
	Taxpayer Cou		5					
	Program Inco			e evident				
	JLARC Review			C completed an e	xpedited review i	n 2012		
						-		

#### 82.23A.030(6) - Exported petroleum products

Description	Petroleum products exported for use outside of Washington are exempt from tax. This exemption expires July 1, 2020.								
Purpose	Restricts application of the petroleum products tax to product used in this state.								
Taxpayer	ver (\$ in millions):								
savings		FY 2016	FY 2017	FY 2018	FY 2019				
	State Taxes	\$4.144	\$0.000	\$4.356	\$0.000				
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000				
Repeal of exemption	was suspended	•	l increase revenues ar 2010. It is expec ar 2018.						
Potential	(\$ in millions)	:							
revenue gains		FY 2016	FY 2017	FY 2018	FY 2019				
from full repeal	State Taxes	\$0.000	\$0.000	\$4.356	\$0.000				
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000				
Assumptions	reflected ir - The price c various oth - The petrole months in	n Global Insight's hange of crude c her petroleum ba eum products tax Fiscal Year 2018.	bil is equivalent to February 2015 fore il over time serves sed products. is imposed for 9 n e results in no cash	ecast. as a proxy for the nonths in Fiscal Ye	e price change of ear 2016 and 6				
Data Sources	<ul> <li>Department of Revenue tax return data</li> <li>Department of Revenue February 2015 Non-General Fund Forecast, Pollution Liability Insurance Account</li> <li>Global Insight February 2015 forecast</li> </ul>								
Additional	Additional In	nformation							
Information	Category:		base						
	Year Enacted								
	Primary Bene		roleum exporters						
	Taxpayer Cou								
	Program Inco		ne evident						
	JLARC Review		RC completed an e	xpedited review i	n 2012				

# 82.23A.030(7) - Packaged petroleum products

Description	Petroleum products that are packaged for sale to ultimate consumers are exempt from the petroleum products tax. This exemption expires July 1, 2020.						
Purpose	funding for prog	grams to clean	nerate funds to prov up discharges from k kaged products do n	eaking undergrou	nd petroleum		
Taxpayer	(\$ in millions):						
savings		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		
Potential revenue gains	(\$ in millions):	FY 2016	FY 2017	FY 2018	FY 2019		
	(\$ in millions):		EV 2017	EV 2019	EV 2010		
from full repeal	State Taxes	\$0.000		\$0.000	\$0.000		
	Local Taxes	\$0.000		\$0.000	\$0.000		
	LUCALIANES	φ <b>υ.</b> υυι	, JO.000	J0.000	JU.UUU		
Assumptions	LL		eum products is thou				
Assumptions Data Sources	LL						
	The extent of pa	ackaged petrole					
Data Sources	The extent of pa	ackaged petrole					
Data Sources Additional	The extent of pane	formation	eum products is thou				
Data Sources Additional	The extent of pane None Additional In Category:	formation 19	eum products is thou x base	ight to be minima	I.		
Data Sources Additional	The extent of pane None Additional In Category: Year Enacted:	formation Ta 19 iciaries: Im	eum products is thou x base 89	ight to be minima	I.		
Data Sources Additional	The extent of particular text of the particular text of text of the particular text of	formation Ta 19 Ticiaries: Im	eum products is thou x base 89 porters of packaged	ight to be minima	I.		

#### 82.23A.040(1) - Petroleum exported in fuel tanks

Description	A credit may be claimed against the petroleum products tax for fuel exported from the state in the fuel tank of any vehicle, including airplanes, ships or trucks. This credit expires July 1, 2020.							
Purpose	To tax the first use of the products in Washington; which have the potential to cause environmental damage. This credit presumes the risk to the environment reduces significantly after depositing the fuel in the vehicle fuel tank.							
Taxpayer	(\$ in millions):							
savings		FY 2016	5	FY 2017	FY 2018	FY 2019		
	State Taxes		.584	\$0.000	\$4.041	\$0.000		
	Local Taxes	\$0	.000	\$0.000	\$0.000	\$0.000		
Repeal of exemption Potential	was suspended Year 2016 and	during Fisca again in Fisc	al Yea	increase revenues r 2010. It is expec nr 2018.	• •			
revenue gains	(\$ in millions)	FY 2016	-	FY 2017	FY 2018	FY 2019		
from full repeal	State Taxes		,000	\$0.000	\$4.041	\$0.000		
	Local Taxes		.000	\$0.000	\$0.000	\$0.000		
	LOCALITAXES			\$0.000	\$0.000	\$0.000		
Assumptions	Departmen hazardous exported in - The petrolo months in	nt of Revenu substance ta n fuel tanks. eum product Fiscal Year 2	e's Fe ax and cs tax 018.	ardous substance bruary 2015 non- I the petroleum pi is imposed for 9 n results in no cash	general fund fored roducts tax exemp nonths in Fiscal Ye	cast, as both the ot the same fuel ar 2016 and 6		
Data Sources	•	nt of Revenu nt of Revenu		return data bruary 2015 non-į	general fund fored	cast		
Additional	Additional I	nformation						
Information	Category:	normation		base				
	Year Enacted	:	1989					
	Primary Bene			oleum refiners				
	Taxpayer Cou		12					
	Program Inco			e evident				
	JLARC Review			C completed an e	xpedited review i	n 2012		
		••	10.0					

#### 82.23A.040(2) - Taxes paid in other states

Description	Taxpayers may claim a credit against the petroleum products tax for any similar tax paid upon the same product in other states. To qualify for the credit, such tax (1) must be imposed upon the wholesale value of the petroleum products and not constitute an income or value-added tax and (2) must be a tax specifically directed at petroleum products rather than a general tax. This credit expires July 1, 2020.								
Purpose	To ensure tax is applied only once to the same product.								
Taxpayer	(\$ in millions):								
savings		FY 2016	5	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				not increase revei	1025.				
Potential	(\$ in millions)	:							
revenue gains		FY 2016	5	FY 2017	FY 2018	FY 2019			
from full repeal	State Taxes	\$0.	.000	\$0.000	\$0.000	\$0.000			
	Local Taxes	\$0.	.000	\$0.000	\$0.000	\$0.000			
Assumptions	future, as othe	r western sta not have ta	ates tł	credit and none and none and and none and are likely to ex nat are imposed or	port petroleum p	roducts to			
Data Sources	Multiple state t	ax commiss	ions a	nd state departm	ents of revenue				
Additional	Additional Ir	formation							
Information	Category:		Inter	state Commerce					
	Year Enacted:		1989						
	Primary Bene	ficiaries:		orters of products	from jurisdictions	with similar			
			•	s on petroleum pr	•				
	Taxpayer Cou	nt:	0	· •					
	Program Inco		None	e evident					
	JLARC Review	•	Exclu	uded from JLARC r	eview				