

# Oil Spill Tax

RCW Chapter 82.23B

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

Tax exemptions may reduce these taxes.  
For more information, refer to the [Tax Exemption Study](#).

**Tax Rate** The oil spill tax rate is up to 5 cents per 42-gallon barrel:

- The 4 cents oil spill administration tax.
- The 1 cent oil spill response tax.

When funds in the oil spill response account fall to \$8 million, owners of crude oil or petroleum products must pay the oil spill response tax until the account balance once again exceeds \$9 million.

**Recent Collections (\$000)**

Fiscal Year	Collections	% Change	% of All State Taxes
2021	\$7,130	4.7%	0.02%
2020	\$6,809	-0.1%	0.03%
2019	\$6,814	44.8%	0.03%
2018	\$4,705	3.4%	0.02%
2017	\$4,551	13.3%	0.02%
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%	0.02%
2012	\$3,571	-6.7%	0.02%

**Distribution of Receipts**

The Military Department Active State Service Account receives the first \$200,000 of taxes from the oil spill administration tax. The Oil Spill Prevention Account receives the rest of the taxes. The state uses these funds for:

- The prevention of and response to oil spills in state waters and the control of water pollution.
- Administrative costs incurred by the Department of Ecology and the Office of Marine Safety.

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The Oil Spill Response Account receives all receipts from the oil spill response tax. The state uses these funds to:

- Respond to spills and the imminent threat of spills of crude oil or petroleum products into state waters.
  - Pay for the use of emergency response towing vessels.
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**Levied by** State

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**Administration** Department of Revenue

Each owner of crude oil or petroleum products pays the tax to the terminal operator where they offload product. Each terminal operator or taxpayer with a direct pay certificate reports and remits the tax.

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**History**

2018 Extended the tax to oil received at bulk oil terminals from pipelines.

2015 Extended the tax to oil received at bulk oil terminals from railroad tank cars.

1999 Decreased the deactivation trigger for the oil spill response tax from \$10 million to \$9 million and the activation trigger from \$9 million to \$8 million.

1997 Decreased the oil spill response tax rate from 2 cents to 1 cent per barrel and increased the oil spill administration tax rate from 3 cents to 4 cents per barrel. Transferred program administration to the Department of Ecology.

1992 The person subject to the tax changed from the owner of the product at the time just prior to off-loading to the owner when the product transfers to storage tanks.

1991 Adopted the oil spill tax at a rate of 3 cents per gallon for the administration account and 2 cents for the response account. Created the Office of Marine Safety to administer subsequent programs.

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