

Special Notice

Intended audience: The first person who possesses petroleum products in Washington.

Dec. 5, 2019

State resumes petroleum products tax collection

On Jan. 1, 2020, the petroleum products tax (PPT) collection begins. PPT is a tax on the first possession of a petroleum product in Washington.

How does this affect me?

If you are the first person possessing a petroleum product in Washington on or after Jan. 1, 2020, you will owe PPT.

Why is PPT collected?

PPT revenue funds an environmental cleanup account (Pollution Liability Insurance Program Trust). When the account balance is below \$7.5 million, our department collects PPT.

How do I pay PPT?

You need to report the PPT on your state combined excise tax return. When the state temporarily suspends PPT again, the department will gray out the PPT line item on your return.

What is the PPT rate and how do I calculate it?

The current tax rate for PPT is .003 (three-tenths of 1%).

You calculate the PPT based on the wholesale value of the petroleum products at the time of first nonbulk possession in Washington.

The PPT applies, unless the product is for an exporter or for direct delivery outside of Washington.

What if I purchase petroleum products after someone else paid the PPT?

After you purchase the products, you may see a line item for PPT on your sales invoice. This does not mean that you owe PPT. The seller is simply identifying that they already paid the PPT on the product you purchased. You are exempt from paying PPT. If you think the seller mistakenly listed the PPT on the invoice, you need to contact the seller.

Definitions

Possession is the control of a petroleum product, and includes both actual and constructive possession.

Actual possession occurs when the person with control has physical possession.

Constructive possession occurs when the person with control does not have physical possession.

Control means the power to sell or use, or to authorize the sale or use by another.

Petroleum product includes plant condensate, lubricating oil, gasoline, aviation fuel, kerosene, diesel motor fuel, benzol, fuel oil, residual oil, and every other product derived from the refining of crude oil. Crude oil or liquefiable gases are not petroleum products.

More information

[RCW 82.23A](#)

Questions?

If you have questions, call 360-705-6705.