

Petroleum Products Tax

RCW Chapter 82.23A

Tax Base The tax is a privilege tax imposed on the first possession of petroleum products within the state.

The measure of the tax is based on the wholesale value of the product.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

Tax Rate 0.3 percent until July 1, 2021, and 0.15 percent after July 1, 2021.

Recent Collections (\$000)

| Fiscal Year | Collections | % Change | % of All State Taxes |
|-------------|-------------|----------|----------------------|
| 2018 | \$10,245 | -69% | 0.05% |
| 2017 | \$32,665 | 28% | 0.17% |
| 2016 | \$25,563 | 4,830% | 0.14% |
| 2015 | \$518 | -638% | 0.00% |
| 2014 | -\$96 | -110% | -- |
| 2013 | \$1,001 | 362% | 0.01% |
| 2012 | \$217 | -92% | 0.00% |
| 2011 | \$2,680 | -94% | 0.02% |
| 2010 | \$48,073 | 7794% | 0.36% |
| 2009 | \$609 | -246% | 0.00% |

Distribution of Receipts

Receipts are deposited into the Pollution Liability Insurance Program Trust Account. Transfers to the Pollution Liability Insurance Underground Storage Tank Revolving Loan and Grant Account are allowed as follows:

- On July 1, 2016, the excess of \$7.5 million up to \$10 million may be transferred.
- Each succeeding biennium the excess of \$7.5 million up to \$20 million may be transferred.

The tax includes a "trigger" mechanism based on the amount of funds in the Pollution Liability Insurance Program Trust Account.

- The tax is not imposed when the trust account balance exceeds \$15 million for the previous calendar quarter.
- The tax is re-imposed when the balance falls below \$7.5 million for the most recent quarter.

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These funds are allocated to the Pollution Liability Insurance Agency and are used to help owners of underground storage tanks obtain insurance to upgraded or replace tanks.

Levied by State

Administration Department of Revenue.

Firms that import, manufacture, or sell petroleum products in this state report on the Combined Excise Tax Return.

- History**
- 2016 The Pollution Liability Insurance Underground Storage Tank Revolving Loan and Grant Account is created and funded by transfers from the Pollution Liability Insurance Program Trust Account. The tax rate is reduced to 0.15 percent beginning July 1, 2021. The tax is extended through July 1, 2030.
 - 2012 The tax rate is reduced from 0.5 percent to 0.3 percent. The tax is extended through July 1, 2020.
 - 2006 The tax is extended through June 1, 2013.
 - 2000 The tax is extended through June 1, 2007.
 - 1996 The tax is extended through June 1, 2001.
 - 1989 The tax is first adopted in 1989 with a rate of 0.5 percent.
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