

BUSINESS TAXES

OTHER BUSINESS TAXES - OIL SPILL TAX

82.23B.030 SECONDARY TRANSPORTATION

Description: Exemption from the oil spill tax is provided for transportation or off-loading of the same products after the initial off-loading in Washington.

Purpose: The tax is intended to apply only to the initial off-loading of crude oil or petroleum products in Washington.

Category/Year Enacted: Tax base. 1991

Primary Beneficiaries: Washington refiners and manufacturers.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State tax	\$ 200	\$ 200	\$ 200	\$ 200
Local taxes - none.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Unlikely.

82.23B.040 EXPORTED PETROLEUM PRODUCTS

Description: A credit against the oil spill tax is allowed for oil spill tax originally paid on crude oil or petroleum products which are subsequently exported from or sold for export from the state.

Purpose: Only products to be consumed within the state are intended to be taxed.

Category/Year Enacted: Tax base. 1991

Primary Beneficiaries: Exporters of crude oil or petroleum products that were originally off-loaded in this state.

Possible 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.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State tax	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300
Local taxes - none.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Unlikely.

BUSINESS TAXES

82.23B.045 CREDIT FOR NONFUEL USES

Description: A credit against the oil spill tax is allowed for any oil spill tax previously paid on crude oil or petroleum products which are not ultimately used as fuel or in a manufacturing process.

Purpose: To ensure that the tax applies only to crude oil or petroleum that is ultimately used as fuel.

Category/Year Enacted: Tax base. 1991

Primary Beneficiaries: Manufacturers and consumers of crude oil and petroleum products.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State tax	\$ 250	\$ 250	\$ 250	\$ 250
Local taxes - none.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? No.