Oil Spill Tax
82.23B.030 - Secondary transportation

**Description**
Successive receipt or transportation of crude oil or petroleum products is exempt from the oil spill tax after the initial receipt of the same products at a marine terminal.

**Purpose**
This credit restricts the tax to the initial off-loading of crude oil or petroleum product in Washington.

<table>
<thead>
<tr>
<th>Taxpayer savings</th>
<th>($ in millions):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2016</td>
</tr>
<tr>
<td>State Taxes</td>
<td>$0.000</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>$0.000</td>
</tr>
</tbody>
</table>

**Repeal of exemption**
Repealing this exemption would not increase revenues.

<table>
<thead>
<tr>
<th>Potential revenue gains from full repeal</th>
<th>($ in millions):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2016</td>
</tr>
<tr>
<td>State Taxes</td>
<td>$0.000</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>$0.000</td>
</tr>
</tbody>
</table>

**Assumptions**
In order for this exemption to be applicable, oil would have to be off-loaded in Washington from a vessel, reloaded onto another vessel and then off-loaded a second time in the state. It is assumed that this scenario does not happen.

**Data Sources**
None

**Additional Information**

<table>
<thead>
<tr>
<th>Additional Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category:</strong></td>
<td>Tax base</td>
</tr>
<tr>
<td><strong>Year Enacted:</strong></td>
<td>1991</td>
</tr>
<tr>
<td><strong>Primary Beneficiaries:</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Taxpayer Count:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Program Inconsistency:</strong></td>
<td>None evident</td>
</tr>
<tr>
<td><strong>JLARC Review:</strong></td>
<td>JLARC completed an expedited review in 2013</td>
</tr>
</tbody>
</table>
82.23B.040 - Exported petroleum products

Description
Taxpayers may claim a credit against oil spill tax paid on crude oil or petroleum products subsequently exported or sold for export from the state.

Purpose
Allows the tax to apply only to products consumed within the state.

Taxpayer savings

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Taxes</td>
<td>$2.379</td>
<td>$2.004</td>
<td>$1.817</td>
<td>$1.629</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>$0.000</td>
<td>$0.000</td>
<td>$0.000</td>
<td>$0.000</td>
</tr>
</tbody>
</table>

Repeal of exemption
A repeal of this exemption would increase revenues.

Potential revenue gains from full repeal

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Taxes</td>
<td>$0.000</td>
<td>$1.837</td>
<td>$1.817</td>
<td>$1.629</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>$0.000</td>
<td>$0.000</td>
<td>$0.000</td>
<td>$0.000</td>
</tr>
</tbody>
</table>

Assumptions
- Growth rate mirrors the 4 cent oil tax for administration growth rate reflected in the Department of Revenue’s February 2015 Non-General Fund forecast.
- Eleven months of cash collections in Fiscal Year 2017 due to July 1, 2016 effective date.

Data Sources
- Department of Revenue tax return data
- Department of Revenue’s February 2015 Non-General Fund forecast

Additional Information

<p>| | |</p>
<table>
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<tbody>
<tr>
<td><strong>Category:</strong></td>
<td>Tax base</td>
</tr>
<tr>
<td><strong>Year Enacted:</strong></td>
<td>1991</td>
</tr>
<tr>
<td><strong>Primary Beneficiaries:</strong></td>
<td>Exporters of crude oil or petroleum products that were off-loaded in this state</td>
</tr>
<tr>
<td><strong>Taxpayer Count:</strong></td>
<td>20</td>
</tr>
<tr>
<td><strong>Program Inconsistency:</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>JLARC Review:</strong></td>
<td>Excluded from JLARC review</td>
</tr>
</tbody>
</table>
82.23B.045 - Credit for nonfuel uses of crude oil petroleum products

Description

Taxpayers may claim a credit against oil spill tax paid on crude oil or petroleum products:

(1) not used as fuel or
(2) used as a component or ingredient in a manufacturing process.

Purpose

Ensures the tax applies only to crude oil or petroleum used as fuel.

Taxpayer savings

($ in millions):

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<tr>
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<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
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</thead>
<tbody>
<tr>
<td>State Taxes</td>
<td>$0.125</td>
<td>$0.105</td>
<td>$0.096</td>
<td>$0.086</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>$0.000</td>
<td>$0.000</td>
<td>$0.000</td>
<td>$0.000</td>
</tr>
</tbody>
</table>

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

($ in millions):

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Assumptions

- Growth rate mirrors the 4 cent oil tax for administration growth rate reflected in the Department of Revenue's February 2015 Non-General Fund forecast.
- Eleven months of cash collections in Fiscal Year 2017 due to July 1, 2016 effective date.

Data Sources

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