Chapter 14 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 or bulk terminal from a vessel or barge, rail tank car, or pipeline.						
Purpose	This exemption restricts the tax to the initial off-loading of crude oil or petroleum products in Washington.						
Taxpayer	(\$ in millions):						
savings		FY 2024	FY 2025	FY 2026	FY 2027		
	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
exemption Potential revenue gains	<i>successive receipt or transportation scenario would not occur. (\$ in millions):</i>						
from full repeal		FY 2024	FY 2025	FY 2026	FY 2027		
	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Assumptions	For this exemption to be applicable, oil would have to be off-loaded in Washington from a vessel, rail tank car, or pipeline, then reloaded onto another vessel, rail tank car, or pipeline, before being off-loaded a second time in the state. It is assumed this scenario does not happen.						
Data Sources	Department of Revenue, Excise tax data						
Additional	Additional Informa	ntion					
Information	Category:	Tax base					
	Year Enacted:	1991					
	Primary Beneficiarie						
	Taxpayer Count:	0					
	Program Inconsisten						
	JLARC Review:	Expedited review completed in 2012 and 2017					

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	(\$ in millions):							
savings		FY 2024	FY 2025	FY 2026	FY 2027			
	State Taxes	\$4.721	\$4.721	\$4.721	\$4.721			
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000			
Repeal of exemption	Repealing this credit would increase revenues.							
Potential	(\$ in millions):							
revenue gains		FY 2024	FY 2025	FY 2026	FY 2027			
from full repeal	State Taxes	\$0.000	\$4.328	\$4.721	\$4.721			
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000			
Assumptions	 This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025. Growth rate mirrors the zero growth rate reflected in the Department of Revenue's March 2023 Non-General Fund forecast for oil spill tax collections. 							
Data Sources	 Department of Revenue, Excise tax data Department of Revenue, March 2023 Non-General Forecast 							
Additional	Additional Information	ation						
Information	Category:	Tax base						
	Year Enacted:	1991						
	Primary Beneficiarie	es: Exporter	Exporters of crude oil or petroleum products that were off-loaded in this state					
	Taxpayer Count:	10	10					
	Program Inconsister	the state products consider prevention	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					
	JLARC Review: No review completed							

82.23B.045 - Nonfuel uses of crude oil petroleum products

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.						
Ensures the tax applies only to crude oil or petroleum used as fuel.						
(\$ in millions):						
	FY 2024	FY 2025	FY 2026	FY 2027		
State Taxes	CTI	СТІ	CTI	СТІ		
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Repealing this credit would increase revenues.						
(\$ in millions):						
	FY 2024	FY 2025	FY 2026	FY 2027		
State Taxes	\$0.000	СТІ	CTI	СТІ		
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
This credit impacts fewer than three taxpayers; any impacts are confidential. Department of Revenue, Excise tax data						
Additional Information						
Year Enacted:	1991	1991				
Primary Beneficiario	es: Petroleur	Petroleum refiners				
Taxpayer Count:	Fewer th	Fewer than three				
Program Inconsiste	ncy: None evi	None evident				
JLARC Review: Expedited review completed in 2013 and 2017						
	products (1) not used manufacturing process Ensures the tax applie (\$ in millions): State Taxes Local Taxes Repealing this credit (\$ in millions): State Taxes Local Taxes Local Taxes Local Taxes This credit impacts fer Department of Rever Additional Inform Category: Year Enacted: Primary Beneficiarie Taxpayer Count: Program Inconsister	products (1) not used as fuel or (2) us manufacturing process. Ensures the tax applies only to crude (\$ in millions): FY 2024 State Taxes CTI Local Taxes \$0.000 Repealing this credit would increase r (\$ in millions): FY 2024 State Taxes \$0.000 Local Taxes \$0.000 Cocal Taxes \$0.000 This credit impacts fewer than three Department of Revenue, Excise tax da Additional Information Category: Tax base Year Enacted: 1991 Primary Beneficiaries: Petroleut Taxpayer Count: Fewer th Program Inconsistency: None evit	products (1) not used as fuel or (2) used as a componemanufacturing process. Ensures the tax applies only to crude oil or petroleum (\$ in millions): FY 2024 State Taxes CTI CTI Local Taxes \$0.000 State Taxes State Taxes \$ FY 2024 FY 2024 FY 2024 FY 2025 State Taxes \$ \$0.000 CTI Local Taxes \$ \$ \$ \$ \$ 0.000 CTI Local Taxes \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	products (1) not used as fuel or (2) used as a component or ingredie manufacturing process. Ensures the tax applies only to crude oil or petroleum used as fuel. (\$ in millions): FY 2024 FY 2025 State Taxes CTI CTI Local Taxes \$0.000 \$0.000 \$0.000 \$0.000 \$0.000 \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$		