



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

MAY 27, 2009

## Petroleum Products Tax Re-imposed

The petroleum products tax will be re-imposed beginning July 1, 2009.

### What is the Petroleum Products Tax?

In 1989, the Legislature enacted the petroleum products tax (PPT) to finance a state pollution liability insurance program. The PPT is imposed on the first possessor of petroleum products in Washington as defined in Chapter 82.23A RCW. The application of the petroleum product tax, with certain exceptions, is the same as the application of the hazardous substance tax.

It is imposed in addition to all other taxes of an excise or property tax nature, including the hazardous substance tax, and is not in lieu of any other such taxes.

### Why is the PPT being re-imposed?

The law provides that the PPT will not be imposed if the balance in the trust account is more than \$15 million. The PPT was suspended in 2004 when the account balance exceeded \$15 million.

The law further notes that the PPT shall be re-imposed if the account balance is below \$7.5 million. As of March 31, 2009, the trust account balance fell below \$7.5 million. According to statute, the PPT must be re-imposed, starting July 1, 2009.

### How is the PPT remitted?

Businesses that first possess petroleum products in Washington must report the wholesale value of such petroleum products and pay the tax due. Until further notice, the PPT applies to all taxable possessions for tax periods covering July 1, 2009 and after.

For businesses that report their taxes using the Combined Excise Tax Return, the PPT is reported on page two, under the "Other Taxes" section.

For those businesses that report their taxes electronically, the PPT is paid under the "Other & Quantity Taxes" page of the return.

### What is a petroleum product?

"Petroleum product" means 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, but the term does not include crude oil or liquefiable gases.

For more information, see WAC 458-20-252 Part II. You also can contact our Telephone Information Center at 1-800-647-7706.

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