
SUBSTITUTE SENATE BILL 6567

State of Washington

63rd Legislature

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By Senate Ways & Means (originally sponsored by Senators Tom, Hill, Billig, Rolfes, Chase, Ranker, Hargrove, Baumgartner, Schoesler, Litzow, Fain, Ericksen, and Dammeier)

READ FIRST TIME 03/11/14.

1 AN ACT Relating to imposing the oil spill response tax and oil
2 spill administration tax on crude oil received by rail; and amending
3 RCW 82.23B.010, 82.23B.020, 82.23B.030, and 82.23B.040.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.23B.010 and 1992 c 73 s 6 are each amended to read
6 as follows:

7 ~~((Unless the context clearly requires otherwise, the definitions in~~
8 ~~this section apply throughout this chapter.)) The definitions in this
9 section apply throughout this chapter unless the context clearly
10 requires otherwise.~~

11 (1) "Barrel" means a unit of measurement of volume equal to forty-
12 two United States gallons of crude oil or petroleum product.

13 (2) "Bulk oil terminal" means a facility of any kind, other than a
14 waterborne vessel, that is used for transferring crude oil from a tank
15 car.

16 (3) "Crude oil" means any naturally occurring liquid hydrocarbons
17 at atmospheric temperature and pressure coming from the earth,
18 including condensate and natural gasoline.

19 ~~((3))~~ (4) "Department" means the department of revenue.

1 ((+4)) (5) "Marine terminal" means a facility of any kind, other
2 than a waterborne vessel, that is used for transferring crude oil or
3 petroleum products to or from a waterborne vessel or barge.

4 ((+5)) (6) "Navigable waters" means those waters of the state and
5 their adjoining shorelines that are subject to the ebb and flow of the
6 tide, including the Columbia and Snake rivers.

7 ((+6)) (7) "Person" has the meaning provided in RCW 82.04.030.

8 ((+7)) (8) "Petroleum product" means any liquid hydrocarbons at
9 atmospheric temperature and pressure that are the product of the
10 fractionation, distillation, or other refining or processing of crude
11 oil, and that are used as, useable as, or may be refined as a fuel or
12 fuel blendstock, including but not limited to, gasoline, diesel fuel,
13 aviation fuel, bunker fuel, and fuels containing a blend of alcohol and
14 petroleum.

15 ((+8)) (9) "Tank car" means a rail car, the body of which consists
16 of a tank for transporting liquids.

17 (10) "Taxpayer" means the person owning crude oil or petroleum
18 products immediately after receipt of the same into the storage tanks
19 of a marine or bulk oil terminal in this state (~~from a waterborne~~
20 ~~vessel or barge~~) and who is liable for the taxes imposed by this
21 chapter.

22 ((+9)) (11) "Waterborne vessel or barge" means any ship, barge, or
23 other watercraft capable of travelling on the navigable waters of this
24 state and capable of transporting any crude oil or petroleum product in
25 quantities of ten thousand gallons or more for purposes other than
26 providing fuel for its motor or engine.

27 **Sec. 2.** RCW 82.23B.020 and 2006 c 256 s 2 are each amended to read
28 as follows:

29 (1) An oil spill response tax is imposed on the privilege of
30 receiving: (a) Crude oil or petroleum products at a marine terminal
31 within this state from a waterborne vessel or barge operating on the
32 navigable waters of this state; and (b) crude oil at a bulk oil
33 terminal within this state from a tank car. The tax imposed in this
34 section is levied upon the owner of the crude oil or petroleum products
35 immediately after receipt of the same into the storage tanks of a
36 marine or bulk oil terminal from a tank car or waterborne vessel or

1 barge at the rate of one cent per barrel of crude oil or petroleum
2 product received.

3 (2) In addition to the tax imposed in subsection (1) of this
4 section, an oil spill administration tax is imposed on the privilege of
5 receiving: (a) Crude oil or petroleum products at a marine terminal
6 within this state from a waterborne vessel or barge operating on the
7 navigable waters of this state; and (b) crude oil at a bulk oil
8 terminal within this state from a tank car. The tax imposed in this
9 section is levied upon the owner of the crude oil or petroleum products
10 immediately after receipt of the same into the storage tanks of a
11 marine or bulk oil terminal from a tank car or waterborne vessel or
12 barge at the rate of four cents per barrel of crude oil or petroleum
13 product.

14 (3) The taxes imposed by this chapter (~~((shall))~~) must be collected
15 by the marine or bulk oil terminal operator from the taxpayer. If any
16 person charged with collecting the taxes fails to bill the taxpayer for
17 the taxes, or in the alternative has not notified the taxpayer in
18 writing of the (~~((imposition of the))~~) taxes imposed, or having collected
19 the taxes, fails to pay them to the department in the manner prescribed
20 by this chapter, whether such failure is the result of the person's own
21 acts or the result of acts or conditions beyond the person's control,
22 he or she (~~((shall))~~), nevertheless, (~~((be))~~) is personally liable to the
23 state for the amount of the taxes. Payment of the taxes by the owner
24 to a marine or bulk oil terminal operator (~~((shall))~~) must relieve the
25 owner from further liability for the taxes.

26 (4) Taxes collected under this chapter (~~((shall))~~) must be held in
27 trust until paid to the department. Any person collecting the taxes
28 who appropriates or converts the taxes collected (~~((shall be))~~) is guilty
29 of a gross misdemeanor if the money required to be collected is not
30 available for payment on the date payment is due. The taxes required
31 by this chapter to be collected (~~((shall))~~) must be stated separately
32 from other charges made by the marine or bulk oil terminal operator in
33 any invoice or other statement of account provided to the taxpayer.

34 (5) If a taxpayer fails to pay the taxes imposed by this chapter to
35 the person charged with collection of the taxes and the person charged
36 with collection fails to pay the taxes to the department, the
37 department may, in its discretion, proceed directly against the
38 taxpayer for collection of the taxes.

1 (6) The taxes (~~shall be~~) are due from the marine or bulk oil
2 terminal operator, along with reports and returns on forms prescribed
3 by the department, within twenty-five days after the end of the month
4 in which the taxable activity occurs.

5 (7) The amount of taxes, until paid by the taxpayer to the marine
6 or bulk oil terminal operator or to the department, (~~shall~~)
7 constitute a debt from the taxpayer to the marine or bulk oil terminal
8 operator. Any person required to collect the taxes under this chapter
9 who, with intent to violate the provisions of this chapter, fails or
10 refuses to do so as required and any taxpayer who refuses to pay any
11 taxes due under this chapter (~~, shall be~~) is guilty of a misdemeanor
12 as provided in chapter 9A.20 RCW.

13 (8) Upon prior approval of the department, the taxpayer may pay the
14 taxes imposed by this chapter directly to the department. The
15 department (~~shall~~) must give its approval for direct payment under
16 this section whenever it appears, in the department's judgment, that
17 direct payment will enhance the administration of the taxes imposed
18 under this chapter. The department (~~shall~~) must provide by rule for
19 the issuance of a direct payment certificate to any taxpayer qualifying
20 for direct payment of the taxes. Good faith acceptance of a direct
21 payment certificate by a terminal operator (~~shall~~) must relieve the
22 marine or bulk oil terminal operator from any liability for the
23 collection or payment of the taxes imposed under this chapter.

24 (9) All receipts from the tax imposed in subsection (1) of this
25 section (~~shall~~) must be deposited into the state oil spill response
26 account. All receipts from the tax imposed in subsection (2) of this
27 section shall be deposited into the oil spill prevention account.

28 (10) Within forty-five days after the end of each calendar quarter,
29 the office of financial management (~~shall~~) must determine the balance
30 of the oil spill response account as of the last day of that calendar
31 quarter. Balance determinations by the office of financial management
32 under this section are final and (~~shall~~) may not be used to challenge
33 the validity of any tax imposed under this chapter. The office of
34 financial management (~~shall~~) must promptly notify the departments of
35 revenue and ecology of the account balance once a determination is
36 made. For each subsequent calendar quarter, the tax imposed by
37 subsection (1) of this section shall be imposed during the entire
38 calendar quarter unless:

1 (a) Tax was imposed under subsection (1) of this section during the
2 immediately preceding calendar quarter, and the most recent quarterly
3 balance is more than nine million dollars; or

4 (b) Tax was not imposed under subsection (1) of this section during
5 the immediately preceding calendar quarter, and the most recent
6 quarterly balance is more than eight million dollars.

7 **Sec. 3.** RCW 82.23B.030 and 1992 c 73 s 9 are each amended to read
8 as follows:

9 The taxes imposed under this chapter (~~shall~~) only apply to the
10 first receipt of crude oil or petroleum products at a marine or bulk
11 oil terminal in this state and not to the later transporting and
12 subsequent receipt of the same oil or petroleum product, whether in the
13 form originally received at a marine or bulk oil terminal in this state
14 or after refining or other processing.

15 **Sec. 4.** RCW 82.23B.040 and 1992 c 73 s 10 are each amended to read
16 as follows:

17 Credit (~~shall~~) must be allowed against the taxes imposed under
18 this chapter for any crude oil or petroleum products received at a
19 marine or bulk oil terminal and subsequently exported from or sold for
20 export from the state.

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