

# SPECIAL NOTICE

October 3, 2002

For further information contact:  
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## PETROLEUM PRODUCTS TAX TO BE RE-IMPOSED

The petroleum products tax will be re-imposed beginning January 1, 2003. The tax is imposed on the first possession in this state of petroleum products.

In 1989 the Legislature enacted the petroleum products tax (PPT) to finance a state pollution liability insurance program. The program provides affordable insurance to the owners and operators of underground petroleum storage tanks and heating oil tanks. The PPT tax revenues are dedicated to the Pollution Liability Insurance Program Trust Account (the Account) that funds the insurance program.

The law provides that the PPT will not be imposed if the balance in the Account, computed as cash balance minus statutory reserves, is more than \$15 million. In 1993, less than four years after the PPT was first imposed the Account balance exceeded \$15 million. Imposition of the tax was suspended at that time. Now, the Account balance is below \$7.5 million. The tax must be re-imposed beginning January 1, 2003 pursuant to RCW 82.23A.020(4) and in order to maintain the insurance program.

The PPT is imposed on the first possession in this state of petroleum products at .5 percent of the wholesale value of the product. Please refer to chapter 82.23A. RCW for further information. The tax may be reported on line 54 of your Combined Excise Tax Return.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.

