

Fuel taxes & fees

Contractors are to identify all applicable government imposed taxes and fees on the invoice as a separate line item on a pass-through basis. Below is an explanation of these taxes and fees.

Description	Gasoline	Diesel Fuel	Heating Fuel
Base Price (OPIS Rack price x OPIS multiplier x gallons + service fee)	\$XXXX.XX	\$XXXX.XX	\$XXXX.XX
Exclude, Federal Excise Tax (1)	N/A	N/A	N/A
Plus, Federal Oil Spill Recovery Fee - Effective 1/1/09	(2)	(2)	(2)
Plus, Federal LUST Tax (3)	\$0.001/gal	\$0.001/gal	\$0.001/gal
Plus, Applicable WA State Fuel Tax (4) - Effective 8/1/15 (*)	\$0.445/gal	\$0.445/gal	N/A
Plus, Washington State Oil Spill Tax (5)	\$0.001/gal	\$0.001/gal	\$0.001/gal
Plus, Washington Petroleum Products Tax Effective 7/1/15 (**)	(6)	(6)	(6)
Plus, WA State Hazardous Substance Tax	(7)	(7)	(7)
Plus, WA Heating Oil Insurance Fee	N/A	N/A	(8)
Plus, Applicable Washington State & Local Sales Tax	N/A	(4) & (8)	(9)

*** Prior to 08/01/2015 the tax rate is \$0.375/gal**

**** Re-imposed at the tax rate of .03%**

(1) Exclude, Federal Excise Tax

Federal Excise Tax shall be excluded from the invoice: For gasoline (\$0.183/gallon) when purchaser is a state or local government purchaser, and for diesel fuel (\$0.243/gallon) when the state or local government purchaser has documented their exemption by providing Contractor a completed excise tax exemption form (as required by IRS regulation).

(2) Plus, Federal Oil Spill Recovery Fee

The Federal Oil Spill Recovery Fee (which may also be referred to as the federal Oil Spill Liability Fund Tax) is currently \$0.0019/gallon for clear gasoline and diesel and \$0.0017 for E10 gasoline. This fee applies to all governmental purchasers. However, a lower rate may apply to the purchase of blended fuels.

(3) Plus, Federal LUST Tax

The current the Federal Liquid Underground Storage Tank (LUST) Tax is \$.001/gallon. The LUST tax applies all governmental purchasers and applies to most distillates, dyed diesel, gasoline, and kerosene. For a detailed list of all products on which the LUST tax has been imposed, contact IRS.

(4) Washington State Fuel Tax

Some contract users may be exempted from the Washington State Highway (Special) Fuel Tax, such as highway maintenance vehicles, publicly owned firefighting equipment, and public transportation (reference RCW 82.38.080). However, such diesel fuel purchases (except for public transportation, reference RCW 82.08.0255) are subject to the payment of state and local sales taxes. A licensed distributor can sale tax exempt fuel to an exempt end user and the distributor can file for a refund of the state fuel tax. Alternatively, the exempt end user, if they have paid the state fuel tax, can file for a refund of the state fuel tax. Contact the DOL in Olympia, at (360) 360-664-1838 for further information.

(5) Plus, Washington State Oil Spill Tax

A tax imposed on the off loading from a waterborne vessel at marine terminals in Washington. Contact Dept. of Revenue (206) 753-1971 with questions. This tax may be listed by some Contractors but not by others at the rate of \$0.001/gallon. Purchasers should only pay this tax when listed by Contractor on its invoice.

(6) Washington Petroleum Products Tax

The Washington petroleum products tax (PPT) is currently re-imposed. The PPT finances a state pollution liability insurance program. This tax is calculated a rate of **0.3%** and applies to all contract fuel purchases.

(7) Washington Hazardous Substance Fee

The Washington Hazardous Substances Tax is an excise tax imposed on the first possessor of hazardous substances or products (including fuel) in the state of Washington. The current tax rate is 0.7% on the wholesale selling price and is listed on the invoice as a per gallon tax.

(8) Plus, Heating Oil Insurance Fee

Washington State Heating Oil Insurance Fee is a new fee imposed by the 1995 Legislature effective July 1, 1995. The purpose of the fee is to assist owners and operators of heating oil tanks in defraying the financial burden caused by environmental clean-up of tank leaks or spills by providing affordable pollution liability insurance. Heating fuel purchased through this contract meets the definition of a "heating oil" when it is used for space heating in oil-fired furnaces, heaters, or boilers. Effective July 1, 2004, the rate of this fee is \$0.012/gallon and this fee is included in the price of the fuel prior to the calculation of state and local sales tax.

(9) Washington State & Local Sales Tax

Washington State & Local Sales Tax applies to the purchase of diesel fuel when the "Special Fuel Tax" (reference paragraph 4 above) is not applicable and this tax applies to the purchase of red-dyed heating fuel.