

## CHAPTER 14. PETROLEUM LOADING TAX

The petroleum loading tax is paid by in-state distributors of petroleum products. The tax rate is set by the State Fire Marshal and is currently \$4.75 per load of 100 or more gallons. Products subject to the tax are petroleum products obtained from distilling and processing crude oil and capable of being used as a fuel for propulsion of a motor vehicle, including aircraft. Products excluded are propane, naphtha and kerosene type jet fuels, products destined for chemical manufacturing or feedstock, or fuels sold to vessels engaged in interstate or international commerce.

The tax began September 1, 1989. Its purpose is to protect Oregon's environment, to carry out Oregon's oil, hazardous material and hazardous substance emergency response programs, and to provide up to \$1 million each year to fund the Orphan Site Account. The Orphan Site Account is part of the Hazardous Substance Remedial Action Fund established under ORS 465.381 and is used to clean up contaminated sites where the responsible party is unknown, unwilling, or unable to undertake the cleanup. Revenues from the tax must be used to clean up spills on the state's roads and in roadside rest areas.

Receipts from the petroleum loading tax were \$2.4 million for the 1995-97 biennium.

### 14.001 PRODUCT PROHIBITED FROM TAX BY FEDERAL LAW

Oregon Statute: 465.111  
Sunset Date: None  
Year Enacted: 1989

Total	
1997-99 Revenue Impact:	Not Available
1999-01 Revenue Impact:	Not Available

**DESCRIPTION:** Oregon law states that "Any petroleum product which the Constitution or laws of the United States prohibit the state from taxing" is exempt from the Petroleum Loading Tax. It is not clear, however, whether the federal constitution or laws prohibit the taxation of any specific petroleum product.

**PURPOSE:** To comply with federal law.

**WHO BENEFITS:** The federal government, and by extension, taxpayers.

**EVALUATION:** Not Evaluated