

CHAPTER 13. PETROLEUM LOAD FEE

The petroleum load fee is paid by importers of petroleum products into Oregon. The fee rate is set by the state Fire Marshal and is currently \$4.00 per load of 100 or more gallons. The fee will increase to \$6.00 per load effective July 1, 2009. Products subject to the fee are any petroleum products obtained from distilling and processing crude oil that are 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 fee 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 program; 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. It is used to clean up contaminated sites where the responsible party is unknown, unwilling, or unable to undertake the cleanup. Revenues from the fee must be used to clean up spills on the state's roads and in roadside rest areas.

Receipts from the petroleum load fee are forecast to be \$2.3 million for the 2007–09 biennium and \$3.5 million for the 2009–11 biennium.

13.001 PRODUCT PROHIBITED FROM TAX BY FEDERAL LAW

Oregon Statute: 465.111

Sunset Date: None

Year Enacted: 1989

	Total
2007–09 Revenue Impact:	Not Available
2009–11 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: Importers of petroleum products prohibited from state taxation by federal law.

EVALUATION: *by the Department of Revenue*

This expenditure achieves its purpose of compliance with federal law.