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Oil Spill Liability Tax Expires; Partial Government Shutdown Remains in Effect

The Oil Spill Liability Tax (OSLT) Expired at Midnight December 31, 2018
From PMAA

The 9 cents per barrel OSLT tax is imposed on crude oil at the refinery gate. The OSLT has no tax-related impact on downstream marketers. It is simply a cost passed through on finished product. The OSLT is paid by the refiner upstream. Unfortunately, some terminals break out the OSLT as a separate line item on bills of lading and invoices. This practice causes confusion downstream because the tax is paid by refiners on crude oil at the refinery gate. There are no OSLT floor stock taxes or OSLT tax exempt parties downstream. However, breaking out the OSLT as a separate line item gives it a perception of importance downstream.

The impact of the OSLT on wholesale petroleum marketers below the terminal rack is a minuscule increase in the rack cost of finished motor fuel and heating oil. Terminal operators break out the OSLT on invoices, not because wholesale petroleum marketers need to know, but for their own accounting purposes and no other reason. There is no OSLT notice requirement for downstream parties. Some downstream wholesale petroleum marketers who break out the OSLT on invoices to their end user customers may need to adjust their accounting practices and software to reflect the expiration. However, there is no regulatory requirement to breakout the OSLT. To prevent this confusion now, PMAA urges jobbers to contact their suppliers to ensure that the OSLT is not listed on invoices. PMAA plans to work with Congressional tax writing committees early this year to ensure that the tax isn't applied retroactively.

Meanwhile, a partial government shutdown remains in effect with no end in sight. There was some discussion over the last few weeks of 2018 to attach a tax extenders package which would include the biodiesel blender's tax credit, the OSLT and a host of additional tax related measures to the spending bill called "tax extenders," but Congress decided to punt the issue

into early 2019. Other credits normally included in tax extenders legislation are the credits for the installation of qualified alternative fuel vehicle refueling property in a home or business; the Alternative Fuels Excise Tax Credit for the use of propane as a transportation fuel, known as the "propane autogas tax credit;" and the Section 25C tax credit for the installation of qualified high-efficiency residential HVAC systems and certain energy-saving home retrofits. PMAA will continue to push for these credits along with a retroactive renewal and gradual phase down of the \$1 per gallon biodiesel blenders tax credit.

Kitty Quarles Passes

We regret to inform you of the passing of Mrs. Kitty Quarles. Mrs. Quarles was the wife of Douglas E. Quarles, Jr, who was the association's board chairman from 1960-1961, and the mother of Douglas E. Quarles, III who was board chairman in 2004-2005, and Virginia's Oilman of the Year in 2006.

For full obituary and service details, [click here](#).

Steve Goldman Passes

Steve Goldman, CEO and president of Star Group, the parent company of Griffith Energy Services passed away suddenly last week. In lieu of flowers, the Goldman family has asked for donations in Steve's memory be made to Sweetbriar Nature Center via the following GoFundMe link: <https://www.gofundme.com/stevegoldman-memorial-at-sweetbriar-nature-center>

If you would like to share your thoughts, memories and condolences directly with Steve's family,

please email rememberingstevegoldman@gmail.com