

update

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Oil Spill Liability Tax Increase

From PMAA

Effective January 1, The federal Oil Spill Liability tax levied on refiners increased from 8 cents per barrel of crude oil to 9 cents per barrel. The tax is imposed on crude oil when it is received at a United States refinery. The increase was mandated by Congress in the Energy Improvement and Extension Act of 2008. The Oil Spill Liability tax was enacted under the Bush Administration in 1991 in response to the Exxon Valdez 1989 oil spill in Alaska. Proceeds from the tax are used for oil spill clean-up and compensation costs.

It is important to know that the Oil Spill Liability tax is paid only by refiners. Refiners pass the tax downstream as a cost included in the price of finished product. Some refiners break out the tax on terminal bill of lading while others do not. The tax is not refundable downstream to any party. Once the tax goes over the terminal rack it becomes a cost added to the price of fuel. It is important for downstream marketers to treat the Oil Spill Liability tax as a cost and not a "tax" to avoid confusion over whether it should be included on bids or invoices to tax exempt customers. The tax should always be folded in the cost of the fuel and not itemized as a tax on downstream bill of lading. There is no requirement that the Oil Spill Liability Tax be itemized on a bid or invoice below the terminal rack because it is no longer a tax once it is paid by refiners.

The following chart shows the price per gallon cost increase on finished product of the current 8 cent per barrel rate (2016) and the 9 cent per barrel rate effective January 1, 2017.

	2016	2017
	\$0.008	\$0.009
Clear Gasoline and Diesel	\$0.0019000	0.0021375
10% Ethanol Blends	\$0.0017100	0.0019238

7.7% Ethanol Blends	\$0.0017500	0.0019688
5.7% Ethanol blends	\$0.0017900	0.0020138
75% Ethanol blends	\$0.0004800	0.00054
80% Ethanol Blends	\$0.0003800	0.0004275
85% Ethanol Blends	\$0.0002900	0.0003263
2% Biodiesel Blends	\$0.0018600	0.0020925
5% Biodiesel Blends	\$0.0018100	0.0020363
10% Biodiesel Blends	\$0.0017100	0.0019238
15% Biodiesel Blends	\$0.0016200	0.0018225
20% Biodiesel	\$0.0015200	0.00171

Southeast Petro-Food Expo Registration Open

March 8-9, 2017

Join us for the 36th year of the Southeast Petro-Food Marketing Expo being held March 8-9, 2017 in Myrtle Beach, SC. It is still the largest regional petroleum & convenience store show in the nation and is the only convenience/petroleum tradeshow endorsed by your Association. VPCGA's Industry Partners will again host a hospitality suite reception on Wednesday, March 8th after the show for all members. Exhibit space is still available so [click here](#) for more information on exhibiting. [Click here](#) for information about attending the show and hotel reservations.

Welcome New Member

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