

Revenue Information Bulletin No. 07-013

**April 9, 2007
Severance Tax**

Collection of Oil Spill Contingency Fee to Resume May 1, 2007

The Oil Spill Prevention and Response Act, La. Rev. Stat. 30:2451 et seq., provides a two cent per barrel oil spill contingency fee on crude oil at the time that it is transferred to or from a vessel at a marine terminal within the state. La. Rev. Stat. 30:2486 provides that the fee is to be collected until the Oil Spill Contingency Fund reaches \$7 million, at which time collection will be suspended until the balance in the fund falls below \$5 million. Collection of the fee has been suspended since May 1, 2003.

On March 19, 2007, the State Treasurer notified the Secretary of the Department of Revenue that the Oil Spill Contingency Fund balance has fallen below \$5 million. Therefore, collection of the fee will resume May 1, 2007. Returns must be filed quarterly on or before the last day of the month following the calendar quarter to which the fee applies. The first return, covering the second quarter of 2007, is due by July 31, 2007.

Marine terminal operators within the state collect the fee from the crude oil owners when the oil is transferred to or from the vessel at the marine terminal. This fee is imposed on foreign and domestic oil transferred in the state, regardless of its origination or destination. The fee is only collected once on the same crude oil. If more than one marine terminal facility handles the same oil, the other marine terminal operators must obtain an affidavit certifying payment of the fee to the Department of Revenue from the marine terminal operator who paid the fee.

For the purposes of the Act, marine terminals are defined as “any terminal facility within the state of Louisiana used for transferring crude oil to or from vessels” and vessels are defined to include “every description of watercraft or other contrivance used or capable of being used as a means of transportation on water, whether self-propelled or otherwise, including barges.”

If you operate a marine terminal facility within the state and are not registered for the oil spill contingency fee, please contact the Louisiana Department of Revenue, Taxpayer Services Division at (225) 219-7656, Option 3, to obtain a registration form.

Cynthia Bridges
Secretary

Revision history: This RIB was originally issued on April 2, 2007. The RIB was revised on April 9, 2007 to state the correct per barrel rate for the oil spill contingency fee. The correct rate is currently two cents, not four cents as stated in the original version.

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