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**SENATE BILL 5898**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Senators Boehnke, Christian, Cleveland, and Dozier

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1 AN ACT Relating to directing the deposit of the proceeds from  
2 taxes on aircraft fuel to the aeronautics account; and amending RCW  
3 82.21.030, 82.23B.020, 82.23A.020, and 82.42.090.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.21.030 and 2023 c 68 s 3 are each amended to read  
6 as follows:

7 (1)(a) A tax is imposed on the privilege of possession of  
8 hazardous substances in this state. Except as provided in (b) of this  
9 subsection, the rate of the tax is (~~seven-tenths of one~~) 0.7  
10 percent multiplied by the wholesale value of the substance. Moneys  
11 collected under this subsection (1)(a) must be deposited in the model  
12 toxics control capital account.

13 (b) For the fiscal year beginning July 1, 2019, the rate of the  
14 tax on petroleum products is \$1.09 per barrel. For subsequent fiscal  
15 years, the rate of tax on petroleum products is determined pursuant  
16 to subsection (3) of this section. The tax collected under this  
17 subsection (1)(b) on petroleum products must be deposited as follows,  
18 after first depositing the tax as provided in (c) and (d) of this  
19 subsection, except that during the 2021-2023 biennium the deposit as  
20 provided in (c) of this subsection may be prorated equally across  
21 each month of the biennium:

1 (i) Sixty percent to the model toxics control operating account  
2 created under RCW 70A.305.180;

3 (ii) Twenty-five percent to the model toxics control capital  
4 account created under RCW 70A.305.190; and

5 (iii) Fifteen percent to the model toxics control stormwater  
6 account created under RCW 70A.305.200.

7 (c) Until the beginning of the ensuing biennium after the  
8 enactment of an additive transportation funding act, \$50,000,000 per  
9 biennium to the motor vehicle fund to be used exclusively for  
10 transportation stormwater activities and projects. For purposes of  
11 this subsection, "additive transportation funding act" means an act  
12 enacted after June 30, 2023, in which the combined total of new  
13 revenues deposited into the motor vehicle fund and the multimodal  
14 transportation account exceed \$2,000,000,000 per biennium  
15 attributable solely to an increase in revenue from the enactment of  
16 the act.

17 (d) The proceeds from the imposition of the tax pursuant to (b)  
18 of this subsection (1) on aircraft fuel, as defined in RCW 82.42.010,  
19 must be deposited into the aeronautics account created in RCW  
20 82.42.090.

21 (e) The department must compile a list of petroleum products that  
22 are not easily measured on a per barrel basis. Petroleum products  
23 identified on the list are subject to the rate under (a) of this  
24 subsection in lieu of the volumetric rate under (b) of this  
25 subsection. The list will be made in a form and manner prescribed by  
26 the department and must be made available on the department's  
27 internet website. In compiling the list, the department may accept  
28 technical assistance from persons that sell, market, or distribute  
29 petroleum products and consider any other resource the department  
30 finds useful in compiling the list.

31 (2) Chapter 82.32 RCW applies to the tax imposed in this chapter.  
32 The tax due dates, reporting periods, and return requirements  
33 applicable to chapter 82.04 RCW apply equally to the tax imposed in  
34 this chapter.

35 (3) For fiscal years beginning on or after July 1, 2020, the rate  
36 of tax on petroleum products for the previous fiscal year must be  
37 adjusted to reflect the percentage change in the implicit price  
38 deflator for nonresidential structures as published by the United  
39 States department of commerce, bureau of economic analysis for the  
40 most recent 12-month period ending December 31st of the prior year.

1       **Sec. 2.** RCW 82.23B.020 and 2018 c 262 s 103 are each amended to  
2 read as follows:

3       (1) An oil spill response tax is imposed on the privilege of  
4 receiving: (a) Crude oil or petroleum products at a marine terminal  
5 within this state from a waterborne vessel or barge operating on the  
6 navigable waters of this state; or (b) crude oil or petroleum  
7 products at a bulk oil terminal within this state from a tank car or  
8 pipeline. The tax imposed in this section is levied upon the owner of  
9 the crude oil or petroleum products immediately after receipt of the  
10 same into the storage tanks of a marine or bulk oil terminal from a  
11 tank car, pipeline, waterborne vessel, or barge at the rate of one  
12 cent per barrel of crude oil or petroleum product received.

13       (2) In addition to the tax imposed in subsection (1) of this  
14 section, an oil spill administration tax is imposed on the privilege  
15 of receiving: (a) Crude oil or petroleum products at a marine  
16 terminal within this state from a waterborne vessel or barge  
17 operating on the navigable waters of this state; or (b) crude oil or  
18 petroleum products at a bulk oil terminal within this state from a  
19 tank car or pipeline. The tax imposed in this section is levied upon  
20 the owner of the crude oil or petroleum products immediately after  
21 receipt of the same into the storage tanks of a marine or bulk oil  
22 terminal from a tank car, pipeline, waterborne vessel, or barge at  
23 the rate of four cents per barrel of crude oil or petroleum product.

24       (3) The taxes imposed by this chapter must be collected by the  
25 marine or bulk oil terminal operator from the taxpayer. If any person  
26 charged with collecting the taxes fails to bill the taxpayer for the  
27 taxes, or in the alternative has not notified the taxpayer in writing  
28 of the taxes imposed, or having collected the taxes, fails to pay  
29 them to the department in the manner prescribed by this chapter,  
30 whether such failure is the result of the person's own acts or the  
31 result of acts or conditions beyond the person's control, he or she,  
32 nevertheless, is personally liable to the state for the amount of the  
33 taxes. Payment of the taxes by the owner to a marine or bulk oil  
34 terminal operator relieves the owner from further liability for the  
35 taxes.

36       (4) Taxes collected under this chapter must be held in trust  
37 until paid to the department. Any person collecting the taxes who  
38 appropriates or converts the taxes collected is guilty of a gross  
39 misdemeanor if the money required to be collected is not available  
40 for payment on the date payment is due. The taxes required by this

1 chapter to be collected must be stated separately from other charges  
2 made by the marine or bulk oil terminal operator in any invoice or  
3 other statement of account provided to the taxpayer.

4 (5) If a taxpayer fails to pay the taxes imposed by this chapter  
5 to the person charged with collection of the taxes and the person  
6 charged with collection fails to pay the taxes to the department, the  
7 department may, in its discretion, proceed directly against the  
8 taxpayer for collection of the taxes.

9 (6) The taxes are due from the marine or bulk oil terminal  
10 operator, along with reports and returns on forms prescribed by the  
11 department, within (~~twenty-five~~) 25 days after the end of the month  
12 in which the taxable activity occurs.

13 (7) The amount of taxes, until paid by the taxpayer to the marine  
14 or bulk oil terminal operator or to the department, constitutes a  
15 debt from the taxpayer to the marine or bulk oil terminal operator.  
16 Any person required to collect the taxes under this chapter who, with  
17 intent to violate the provisions of this chapter, fails or refuses to  
18 do so as required and any taxpayer who refuses to pay any taxes due  
19 under this chapter, is guilty of a misdemeanor as provided in chapter  
20 9A.20 RCW.

21 (8) Upon prior approval of the department, the taxpayer may pay  
22 the taxes imposed by this chapter directly to the department. The  
23 department must give its approval for direct payment under this  
24 section whenever it appears, in the department's judgment, that  
25 direct payment will enhance the administration of the taxes imposed  
26 under this chapter. The department must provide by rule for the  
27 issuance of a direct payment certificate to any taxpayer qualifying  
28 for direct payment of the taxes. Good faith acceptance of a direct  
29 payment certificate by a terminal operator relieves the marine or  
30 bulk oil terminal operator from any liability for the collection or  
31 payment of the taxes imposed under this chapter.

32 (9) (a) (~~All~~) Except as provided in (c) of this subsection, all  
33 receipts from the tax imposed in subsection (1) of this section must  
34 be deposited into the state oil spill response account.

35 (b) Beginning in fiscal year 2019 and each fiscal year  
36 thereafter, the first (~~two hundred thousand dollars~~) \$200,000 of  
37 receipts from the tax imposed in subsection (2) of this section must  
38 be deposited into the military department active state service  
39 account created in RCW 38.40.220, and the remainder of the receipts  
40 from the tax imposed in subsection (2) of this section must be

1 deposited into the oil spill prevention account or the aeronautics  
2 account, as provided in this subsection (9).

3 (c) The receipts from the tax imposed in subsection (1) of this  
4 section on aircraft fuel as defined in RCW 82.42.010, must be  
5 deposited into the aeronautics account created in RCW 82.42.090.

6 (10) Within (~~forty-five~~) 45 days after the end of each calendar  
7 quarter, the office of financial management must determine the  
8 balance of the oil spill response account as of the last day of that  
9 calendar quarter. Balance determinations by the office of financial  
10 management under this section are final and may not be used to  
11 challenge the validity of any tax imposed under this chapter. The  
12 office of financial management must promptly notify the departments  
13 of revenue and ecology of the account balance once a determination is  
14 made. For each subsequent calendar quarter, the tax imposed by  
15 subsection (1) of this section shall be imposed during the entire  
16 calendar quarter unless:

17 (a) Tax was imposed under subsection (1) of this section during  
18 the immediately preceding calendar quarter, and the most recent  
19 quarterly balance is more than (~~nine million dollars~~) \$9,000,000;  
20 or

21 (b) Tax was not imposed under subsection (1) of this section  
22 during the immediately preceding calendar quarter, and the most  
23 recent quarterly balance is more than (~~eight million dollars~~)  
24 \$8,000,000.

25 **Sec. 3.** RCW 82.23A.020 and 2023 c 170 s 17 are each amended to  
26 read as follows:

27 (1) A tax is imposed on the privilege of possession of petroleum  
28 products in this state. The rate of the tax shall be (~~thirty-one-~~  
29 ~~hundredths of one~~) 0.31 percent multiplied by the wholesale value of  
30 the petroleum product. For purposes of determining the tax imposed  
31 under this section for petroleum products introduced at the rack, the  
32 wholesale value is determined when the petroleum product is removed  
33 at the rack unless the removal is to an exporter licensed under  
34 chapter 82.38 RCW for direct delivery to a destination outside of the  
35 state. For all other cases, the wholesale value is determined upon  
36 the first nonbulk possession in the state.

37 (2) (a) Except as identified in RCW 70A.345.130, or provided in  
38 (b) of this subsection, moneys collected under this chapter shall be

1 deposited in the pollution liability insurance program trust account  
2 under RCW 70A.325.020.

3 (b) Moneys collected under this chapter due to the imposition of  
4 the tax in subsection (1) of this section on aircraft fuel, as  
5 defined in RCW 82.42.010, must be deposited into the aeronautics  
6 account created in RCW 82.42.090.

7 (3) Chapter 82.32 RCW applies to the tax imposed in this chapter.  
8 The tax due dates, reporting periods, and return requirements  
9 applicable to chapter 82.04 RCW apply equally to the tax imposed in  
10 this chapter.

11 (4) Within 30 days after the end of each calendar quarter the  
12 department shall determine the "quarterly balance," which shall be  
13 the cash balance in the pollution liability insurance program trust  
14 account as of the last day of that calendar quarter, after excluding  
15 the reserves determined for that quarter under RCW 70A.325.020(2) and  
16 chapter 70A.545 RCW. Balance determinations by the department under  
17 this section are final and shall not be used to challenge the  
18 validity of any tax imposed under this section. For each subsequent  
19 calendar quarter, tax shall be imposed under this section during the  
20 entire calendar quarter unless:

21 (a) Tax was imposed under this section during the immediately  
22 preceding calendar quarter, and the most recent quarterly balance is  
23 more than \$30,000,000; or

24 (b) Tax was not imposed under this section during the immediately  
25 preceding calendar quarter, and the most recent quarterly balance is  
26 more than \$15,000,000.

27 **Sec. 4.** RCW 82.42.090 and 2025 c 417 s 1304 are each amended to  
28 read as follows:

29 (1) All moneys collected by the director from the aircraft fuel  
30 excise tax as provided in RCW 82.42.020 shall be transmitted to the  
31 state treasurer and shall be credited to the aeronautics account  
32 hereby created in the state treasury. Moneys in the account may be  
33 spent only after appropriation. Expenditures from the account may be  
34 used only for aviation-related purposes.

35 (2) Moneys resulting from the taxes in RCW 82.21.030, 82.23A.020,  
36 and 82.23B.020 on aircraft fuel must be deposited into this account.

37 (3) Moneys collected from the consumer or user of aircraft fuel  
38 from either the use tax imposed by RCW 82.12.020 or the retail sales

1 tax imposed by RCW 82.08.020 shall be transmitted to the state  
2 treasurer and credited to the state general fund.

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