



# Florida's Pollutants Tax

on the production or importation of petroleum products, perchloroethylene, solvents, ammonia, chlorine, and pesticides.

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Florida imposes a tax on the production or importation of pollutants. The tax applies once to each gallon/barrel of pollutants when first produced or imported into the state. Pollutants include any petroleum product, as well as:

- pesticides
- ammonia
- chlorine
- solvents

The definition of pollutant does not include liquefied petroleum gas, medicinal oils, and waxes. Products intended for application to the human body, for use in human personal hygiene, or for human ingestion are not pollutants, regardless of their contents.

The pollutant tax collected is managed under the following three trust funds:

- Coastal Protection
- Water Quality Assurance
- Inland Protection

When sold to a dry-cleaning facility, **perchloroethylene** is subject to two different taxes. Each gallon of perchloroethylene sold to, or imported into Florida by a dry cleaning business is subject to the Water Quality Assurance tax as a solvent and as a dry cleaning solvent. Both taxes are due from licensees when the pollutant is first sold or removed from storage.

## Who must pay the tax?

Persons who first produce or import the pollutant are responsible for reporting and paying the tax. They would report and pay using a Pollutants Tax Return (Form DR-904). The tax on pollutants is paid by the importer or producer who owns the pollutant when it is first imported, produced, or removed from storage in the state.

## When is tax due?

Your payment (if applicable) and return are due on the 1st day of the month following the month pollutants are first sold or removed from storage. Your return is late if the return and payment are delivered or postmarked after the 20th day of the month following the collection period. If the 20th is a Saturday, Sunday, state or federal holiday, your return and payment must be postmarked or delivered by the next business day, even if no tax is due.

If you file by Electronic Funds Transfer (EFT), you must initiate your authorization by 5:00 p.m., ET, on the date specified by the Florida e-Services Programs Calendar (Form DR-659). The calendar is on our Internet site.

## **Penalty and Interest**

If your return and payment are not postmarked on or before the 20th, a late penalty is assessed at 10 percent per month, not to exceed 50 percent. A minimum penalty is assessed on late returns, even if no tax is due. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in section 213.235, Florida Statutes (F.S.). Current and prior period interest rates are posted on our Internet site.

## **Who must register?**

Persons who produce or import pollutants into Florida must register with us before doing business in Florida. To register, complete a *Florida Pollutant Tax Application* (Form DR-166). The annual registration fee for pollutants tax is \$30.

## **Who needs a background investigation?**

A business that applies for a pollutants tax license must go through a background investigation. This includes corporations, sole proprietorships, joint ventures, associations, and any other type of business entity. A completed FBI fingerprint card (provided by the Department of Revenue) and a processing fee for each owner, officer, director, or stockholder with a controlling interest, must be submitted to us along with Form DR-166. Processing fees are subject to change without notice.

Businesses must use the fingerprint cards provided by the Department and have them completed by a local law enforcement official. If you need additional cards, you can order them with product number GT-200406 on our form ordering site. This product will be listed under "order forms to be mailed to you." There are three fingerprint cards in each package.

## **What are the bonding requirements?**

You must be bonded at three times the average monthly pollutants tax paid or due during the past 12 calendar months, not to exceed \$100,000. If the average tax paid or due is less than \$50, no bond is required. New registrants should base their bonds on a reasonable estimate.

## **Tax must be separately stated**

Any person, other than a retail dealer, who sells previously taxed pollutants, and any person subject to taxation who is selling pollutants not previously taxed, must certify or separately state the amount of tax paid on any charge ticket, sales slip, invoice, or other tangible evidence of the sale. In addition to separately stating the tax, the seller must provide a statement that the pollutants tax has been paid and show the amount of tax paid per barrel.

## **What is exempt from tax?**

Petroleum products exported from the first storage facility where they are held in this state, or bunkered into marine vessels engaged in interstate or foreign commerce by the licensed terminal supplier, importer, wholesaler, or producer who first imported them, are exempt from the taxes imposed for inland protection and water quality assurance.

## How tax is applied

**Coastal Protection:** Applies to petroleum products, crude oil (unless exported from the well site without intermediate storage or stoppage), pesticides, ammonia, chlorine, and all other pollutants except motor oil, other lubricants, and solvents.

**Water quality:** Applies to petroleum products, motor oil and other lubricants, solvents, and all other pollutants except crude oil.

**Inland protection:** Applies to petroleum products and all other pollutants except solvents, crude oil, pesticides, ammonia, and chlorine.

## Definitions

**Pollutants:** Include crude oil, any petroleum product, pesticides, ammonia, chlorine, and solvents. It does not include liquefied petroleum gas, medicinal oils, waxes, or products intended for application to the human body, personal hygiene, or human ingestion.

**Importer:** The person who owns the pollutant when it first enters Florida. If the risk of loss is assumed by the seller when the product is shipped into Florida FOB, then the out-of-state seller is the "importer" and is responsible for remitting the tax. The buyer is considered the "importer" and is responsible for remitting the tax if the risk of loss is assumed by the buyer at the point where the sale originated.

**Producer:** Any person who manufactures, refines, blends, or compounds pollutants; who maintains a pollutants storage facility (defined below); or who imports pollutants into Florida for production.

**Petroleum products:** Include any refined liquid commodity made wholly or partially from oil or gas. This includes blends or mixtures of oil with one or more liquid products or by-products derived from oil or gas. Examples are listed under Taxable Solvents.

**Waste oil:** Any oil or fuel refined from crude oil or synthetic oil that has become unsuitable for its original purpose due to the presence of impurities or loss of original properties (as a result of use, storage, or handling) but may be suitable for further use and is economically recyclable.

**Solvents:** Include certain organic compounds in liquid form. See examples under "What is Taxable" in this publication.

**Chlorine:** Anhydrous liquid chlorine (C1,2).

**Consume:** To destroy or to alter the chemical or physical structure of a solvent so that it no longer can be identified as the original solvent.

**Ammonia:** Anhydrous liquid ammonia (NH<sub>3</sub>).

**Barrel:** Means 42 U.S. gallons at 60 degrees Fahrenheit.

**Storage facility:**

A location:

- 1) Licensed under section 206.022 of the Florida Statutes.
- 2) Containing any stationary tank(s) for holding petroleum products.
- 3) Owned, operated, or leased by a licensed terminal supplier.

In dealing with nonpetroleum companies, a location is determined to be a "storage facility" if the specific nature of the business warrants it.

**Tax rates for pollutants**

Pollutants, other than petroleum products, exported from the initial location where they are held in this state by the licensed importer or producer, are exempt from the tax imposed for water quality. Solvents consumed in the production of a non-pollutant material are exempt from the tax imposed for water quality.

**Coastal Protection** is taxed at 2 cents per barrel.

**Inland Protection** is taxed at 80 cents per barrel.

**Water Quality is taxed at:**

- 2.5 cents per gallon of motor oil and other lubricants.
- 5.9 cents per gallon of solvents (including perchloroethylene).
- 5 cents per barrel of petroleum products, pesticides, and chlorine.
- 2 cents per barrel of ammonia.
- 5 dollars per gallon of perchloroethylene used as a dry cleaning solvent.

Rates are current as of the revision of this brochure. However, current rates can change depending on the available balance in each of the trust funds. Check our Internet site for current rates.

## Taxable Pollutants

Coastal Protection	Water Quality Assurance	Inland Protection
Ammonia	Ammonia	N/A
Gasoline & Gasohol	Gasoline & Gasohol	Gasoline & Gasohol
N/A	Motor Oil/Lubricants	N/A
N/A	Perchloroethylene***	N/A
N/A	Solvents	N/A
Other Pollutants		
Asphalt Oil	Asphalt Oil	N/A
Aviation Gas Blending Components	Aviation Gas Blending Components	Aviation Gas Blending Components
Aviation Gasoline	Aviation Gasoline	Aviation Gasoline
Chlorine	Chlorine	N/A
Crude Oil	N/A	N/A
Diesel	Diesel	Diesel
Fuel Oil, Distillate	Fuel Oil, Distillate	Fuel Oil, Distillate
Fuel Oil, Residual	Fuel Oil, Residual	Fuel Oil, Residual*
Hydraulic Fluid (Petroleum-Based)	Hydraulic Fluid (Petroleum-Based)	Hydraulic Fluid (Petroleum-Based)
Imported Waste Oil	Imported Waste Oil	Imported Waste Oil
Kerosene	Kerosene	Kerosene
Kerosene-type Jet Fuel	Kerosene-type Jet Fuel	Kerosene-type Jet Fuel
Motor Gas Blending Components	Motor Gas Blending Components	Motor Gas Blending Components
Naphtha**	Naphtha**	Naphtha**
Naphthas, Special	Naphthas, Special	Naphthas, Special
Naphtha-type Jet Fuel	Naphtha-type Jet Fuel	Naphtha-type Jet Fuel
Pesticides	Pesticides	N/A
Petrochemicals	Petrochemicals	N/A
Road Oil	Road Oil	Road Oil
Still Gas	Still Gas	Still Gas
Unfinished Oils	Unfinished Oils	Unfinished Oils

**\*ASTM Grades 5-6 \*\* of less than 400 degrees F for petroleum feed**

## Taxable Solvents

Examples of solvents (organic compounds in liquid form) subject to Florida's pollutants tax

acetamide	formaldehyde	n-dioctyl phthalate
acetone	n-hexane	1,4-dioxane
acetonitrile	isophorone	petroleum-derived ethanol
acetophenone	isopropyl alcohol	ethyl acetate
amylacetates (all)	methanol	ethyl benzene
aniline	2-methoxy ethanol (ethylene glycol methyl ether)	ethylene dichloride
benzene		naphthalene
butyl acetates (all)	methyl tert-butyl ether	nitrobenzene
butyl alcohols (all)	methylene chloride (dichloromethane)	2-nitropropane
butyl benzyl phthalate		pentachlorobenzene
carbon disulfide	methyl ethyl ketone	phenol
carbon tetrachloride	methyl isobutyl ketone	perchloroethylene (tetrachloroethylene)
chlorobenzene	mineral spirits	
chloroform	140-F naphtha	stoddard solvent
cumene	cyclohexanone	tetrahydrofuran
cyclohexane	dibutyl phthalate	toluene
2-ethoxy ethanol (ethylene glycol ethyl ether)	dichlorobenzenes (all)	1, 1, 1-trichloroethane
	dichlorodifluoromethane	trichloroethylene
ethylene glycol	diethyl phthalate	1,1,2-trichloro-1,2,2-trifluoroethane
furfural	dimethyl phthalate	
	dioctyl phthalate (di-2-ethyl hexylphthalate)	xylenes (all)

### Taxable Motor Oil and Other Lubricants (ammonia, gasoline, and gasohol)

- aviation gasoline and gas blending components
- naphtha-type jet fuel
- kerosene-type jet fuel
- kerosene
- distillate fuel oil
- residual fuel oil
- naphtha of less than 400 degrees F for petroleum feed
- special naphthas
- road oil still gas
- unfinished gas
- motor gas blending components (e.g., ethanol when used for blending)
- waste oils
- pesticides
- petroleum diesel blends

**Note:** Any blend of ethanol and gasoline is subject to the pollutants tax on the entire volume of the mixture. The blended product is subject to the pollutants tax as a product made wholly or partially from oil or gas pursuant to section 206.9925, F.S.

**Tax Laws and Reference Materials:** Our online Tax Law Library contains tax laws applicable to pollutants tax and related statutes and rules. You can also find legislative changes, legal opinions, court cases, and publications on all the taxes we administer. Go to the Tax Law Library and look up pollutants.

## **For Information and Forms**

Information and forms are available on our Internet site at [www.myflorida.com/dor](http://www.myflorida.com/dor).

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a written reply to tax questions, write:

Taxpayer Services

Florida Department of Revenue

5050 W Tennessee St Bldg L

Tallahassee FL 32399-0112

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