



Special Notice

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711

New Reporting and Registration Requirements for Oil Spill Prevention and Administration Fee

Beginning September 18, 2014, changes to the Oil Spill Prevention and Administration Fee (fee) Law created by Senate Bill 861 (Stats. 2014, Ch. 35) will affect refinery, pipeline, and marine terminal operators. The current fee rate of \$0.065 per barrel will remain in effect.

Changes include:

- Fee imposition on pipeline operators is removed effective September 18, 2014;
- The fee is imposed on the owner of crude oil and petroleum products upon receipt by a refinery or marine terminal within California by any mode of delivery;
- The fee applies to all crude oil and petroleum products transported over, across, under, or through waters of the state, not just marine waters;
- A rebuttable presumption that crude oil or petroleum products received at a marine terminal or refinery in California have passed over, across, under, or through waters of the state; and
- Revisions to the *Oil Spill Prevention and Administration Fee Return*.

How do I register with the Board of Equalization (BOE)?

There are new registration requirements per Revenue and Taxation Code (R&T Code) section 46101. Register your business activity online by visiting www.boe.ca.gov and clicking "New Registration" to begin. Registration must be completed by September 1, 2014. Once registered, you can view and print the registration information packet as well as related statutes and regulations.

If you have multiple locations and/or activities, or already have an oil spill prevention and administration fee account, you do not need to register for multiple oil spill prevention and administration fee accounts. However, if you are required to register for an oil spill prevention and administration fee account, you must also register for an oil spill response fee account. The oil spill response fee currently requires an annual informational report to be filed by January 25th of each year.

When is my return due?

The *Oil Spill Prevention and Administration Fee Return* is due on or before the 25th day of the month following the end of the reporting period. The revised *Oil Spill Prevention and Administration Fee Return* will be available shortly on our website at www.boe.ca.gov.

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What products are subject to the oil spill prevention and administration fee?

In general, the fee is due on each barrel of crude oil or petroleum products based on each barrel received at a marine terminal or refinery by any mode of delivery that passed over, across, under, or through waters of the state. Unless the fee was previously collected or paid on the crude oil or petroleum products, the following activities are subject to the fee:

- All crude oil received at a *marine terminal or refinery*;
- Petroleum products received at a *marine terminal* from *outside* the state;
- Petroleum products received at a *refinery* from *within* or *outside* the state.

Some definitions in the R&T Code applicable to the fee have been revised, including the definition of crude oil. The definition was broadened for purposes of the fee to include substances that enhance, cut, thin, or reduce viscosity (R&T Code section [46010](#)). The definition of petroleum products has not changed (R&T Code section [46021](#)).

How does this affect me?

As a pipeline operator

Pipeline operators that transport crude oil or petroleum products will be required to:

- Register online at www.boe.ca.gov for an oil spill prevention and administration fee account. **Registration must be completed before September 1, 2014.**

If you currently have an oil spill prevention and administration fee account solely as a pipeline operator, you will be required to:

- File your final *Oil Spill Prevention and Administration Fee Return* reporting your activity through September 17, 2014, on the revised return (line 7).
- Contact us so we can ensure that you will not receive future *Oil Spill Prevention and Administration Fee Returns*. Call our Customer Service Center at 1-800-400-7115 (TTY:711) and follow the prompts for Special Taxes and Fees for assistance.

As a refinery operator

Refinery operators will be required to:

- Register online at www.boe.ca.gov for an oil spill prevention and administration fee account. **Registration must be completed before September 1, 2014;**
- Collect the fee when crude oil and petroleum products from within or outside this state are received at a refinery by any mode of transportation beginning September 18, 2014.

As a marine terminal operator

Marine terminal operators will be required to:

- Collect the fee when petroleum products from outside the state, and crude oil from within or outside the state are received at a marine terminal within California by any mode of transportation.

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As a refinery operator or marine terminal operator

Both refinery operators and marine terminal operators will be required to:

- Report and pay the fee to the BOE on your monthly return;
- Report all barrels received, even if the fee has already been paid. The return form, BOE-501-OA, *Oil Spill Prevention and Administration Fee Return*, enables you to claim a credit on your return for barrels reported for which the fee was previously paid. Documentation to support that fees have already been paid must be retained in your books and records for a period of four years for all barrels claimed;
- Separately state the amount of fees collected on the invoice provided to the owner;
- Provide documentation of fee collection to marine terminals or refineries that subsequently receive the same crude oil or petroleum products for which the fee has already been paid. Documentation may include, but is not limited to, copies of the owner's invoice, shipping documents, transfer documents, and bills of lading that include the name, address, and account number of the refinery or marine terminal from which the crude oil or petroleum products were transferred or sold and the date the transfer or sale took place along with a description of the products.

For more information

You can find more information regarding the oil spill prevention and administration fee at www.boe.ca.gov/sptaxprog/oil_spill_prev_resp_admin_fee.htm.

You can also call our Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.

For further information regarding revisions to the oil spill prevention and administration fee program, see Senate Bill 861 at www.leginfo.ca.gov/bilinfo.html.