



# Florida's Pollutants Tax

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

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 Florida. 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 Florida.

### 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 Calendar of Due Dates* (Form DR-659). The calendar is available on our website at [floridarevenue.com](http://floridarevenue.com).

### Penalty and Interest

Your return and payment must be postmarked on or before the 20<sup>th</sup>. If they are postmarked after the 20<sup>th</sup>, 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 (s.) 213.235, Florida Statutes (F.S.). Current and prior period interest rates are posted on our website.

### 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 Fuel or Pollutants Tax Application* (Form DR-156). The annual registration fee for pollutants tax is \$30.

### Are background checks required before the Department will issue a Pollutants license?

Yes, applicants requesting a pollutants license must undergo a background check conducted by the Florida Department of Law Enforcement (FDLE), the Department of Revenue, and the Federal Bureau of Investigation (FBI) before a pollutants license will be issued.

### Who needs a background investigation to obtain a Pollutants license?

Persons required to undergo a background check include:

- The license holder.
- The sole proprietor of the license holder.
- A corporate officer or director of the license holder.
- A general or limited partner of the license holder.
- A trustee of the license holder.
- A member of an unincorporated association license holder.

- A participant in a joint venture of the license holder.
- The owner of any equity interest in the company who holds the license, whether as a common shareholder, general or limited partner, voting trustee, or trust beneficiary.
- An owner of any interest in the license or license holder, including any immediate family member of the owner, or holder of any debt, mortgage, contract, or concession from the license holder, who is able to control the business of the license holder.

Publicly held corporations that are traded on a national securities exchange and local governments are exempt from undergoing a background check.

### How Does a Background Investigation Begin?

The background investigation is a two-step process.

- Questions 37 through 49 on the *Florida Fuel or Pollutants Tax Application* (Form DR-156) provide the Department with information they will use to begin the process. The answers provided on the application help the Department of Revenue determine the financial standing of the applicant. The applicant is responsible for the \$25 cost of this investigation.
- After the application has been received, the Department will contact the applicant by mail to confirm who must complete the Florida Department of Law Enforcement (FDLE) and the Federal Bureau of Investigations (FBI) portion of the background check. The instructions for initiating this external background check will be provided by the Department of Revenue at this time.

### 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 Florida, 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, then the out-of-state seller is the “importer” and is responsible for paying 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 (NH3).

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

**Storage facility:**

A location:

- 1) Licensed under section (s.) 206.022, F.S.
- 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 Florida 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 website for current rates.

Taxable Pollutants		
Coastal Protection	Water Quality Assurance	Inland Protection
Ammonia	Ammonia	Does not apply
Gasoline & Gasohol	Gasoline & Gasohol	Gasoline & Gasohol
Does not apply	Motor Oil/Lubricants	Does not apply
Does not apply	Perchloroethylene*	Does not apply
Does not apply	Solvents	Does not apply

**\*Perchloroethylene used for dry cleaning taxed under Water Quality at 5.9 cents per gallon and \$5.00 per gallon**

Other Taxable Pollutants		
Coastal Protection	Water Quality Assurance	Inland Protection
Asphalt Oil	Asphalt Oil	Does not apply
Aviation Gas Blending Components	Aviation Gas Blending Components	Aviation Gas Blending Components
Aviation Gasoline	Aviation Gasoline	Aviation Gasoline
Chlorine	Chlorine	Does not apply
Crude Oil	Does not apply	Does not apply
Diesel	Diesel	Diesel

## Other Taxable Pollutants (continued)

Coastal Protection	Water Quality Assurance	Inland Protection
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	Does not apply
Petrochemicals	Petrochemicals	Does not apply
Road Oil	Road Oil	Road Oil
Still Gas	Still Gas	Still Gas
Unfinished Oils	Unfinished Oils	Unfinished Oils

\*\*ASTM Grades 5-6 (Exempt Inland Protection)

\*\*\*Must be 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**

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

**Taxable Motor Oil and Other Lubricants; Ammonia; Gasoline and gasohol;  
Other Pollutants**

Aviation gasoline and gas blending components	Naphtha of less than 400 degrees F for petroleum feed	Motor gas blending components (e.g., ethanol when used for blending)
Naphtha-type jet fuel	Residual fuel oil	Unfinished gas
Kerosene-type jet fuel	Special naphthas	Waste oils
Kerosene	Road oil	Pesticides
Distillate fuel oil	Still gas	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 s. 206.9925, F.S.

**Tax Laws and Reference Materials:** Our online Revenue Law Library contains statutes, rules, legislative changes, legal opinions, court cases, and publications. Search the library for rules regarding pollutants.

**For Information and Forms**

Information and forms are available on our website at [floridarevenue.com](http://floridarevenue.com)

To speak with a Department of Revenue representative, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

To find a **taxpayer service center** near you, visit [floridarevenue.com/taxes/servicecenters](http://floridarevenue.com/taxes/servicecenters)

For **written replies to tax questions**, write to:

Taxpayer Services – MS 3-2000  
Florida Department of Revenue  
5050 W Tennessee St  
Tallahassee FL 32399-0112

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