



Florida's Pollutants Tax

Florida law imposes a tax on any product defined as a pollutant. The tax assessed on pollutants is used to clean up contaminated soil and water, rehabilitate previously contaminated sites, and to provide education on the risk of releasing pollutants into the environment. For taxing purposes, pollutants are categorized as **non-petroleum based products**, **petroleum based products**, and **perchloroethylene**.

Non-petroleum based products include, but are not limited to, pesticides, ammonia, chlorine, and solvents. Florida law levies a tax on the privilege of producing in, importing into, or causing to be imported into Florida a pollutant for sale or use. Pollutants tax is imposed on each gallon (e.g., solvents, motor oil, or other lubricants) or barrel (e.g., ammonia) of product when it is first sold or removed from storage in Florida.

Petroleum based products are defined as any refined liquid commodity made wholly or partially from oil or gas. Petroleum products include, but are not limited to:

- Blending components; motor, diesel, or aviation fuel
- Diesel, including dyed and undyed
- Fuel oil, including distillate and residual
- Gasohol
- Gasoline, including aviation and motor
- Kerosene, including jet fuel
- Liquid asphalt
- Naphtha less than 400 degrees Fahrenheit for petroleum feed
- Oil, including motor, road, and unfinished
- Petroleum-based lubricants
- Special naphthas
- Still gas

Florida law requires the collection of pollutants tax on petroleum products prior to the sale to the ultimate consumer. Pollutants tax on petroleum products is imposed on each barrel or equivalent if one of the following occur:

- Petroleum product was removed by a licensed Florida terminal supplier through the loading rack of a terminal registered with the Internal Revenue Service
- Petroleum product was removed from a Florida refinery and:
 - The removal was by bulk transfer (ship, barge, or pipeline) and the owner of the pollutant, immediately before the removal, was not a licensed terminal supplier; or
 - The removal was at the refinery rack.
- Petroleum product was imported into Florida for sale, consumption, use, or warehousing and:
 - The entry was by bulk transfer and the importer is not licensed as a terminal supplier; or
 - The entry was not by bulk transfer.
- Tax-paid petroleum product was mixed with a tax-unpaid blend stock outside the bulk transfer system
- Tax-unpaid petroleum product was removed from a terminal registered with the Internal Revenue Service by someone other than a licensed terminal supplier

Note – Biodiesel blended with petroleum diesel and denatured ethanol are subject to pollutants tax.

Perchloroethylene (PERC) is a colorless nonflammable liquid used as a solvent in dry cleaning and for removing grease from metals. PERC is subject to pollutants tax as a solvent and the Pollutant Discharge Prevention and Removal tax administered under section 376.75, Florida Statutes. Pollutants tax is due on the total gallons first sold or removed from storage in Florida. The Pollutant Discharge Prevention and Removal tax is imposed when PERC is sold to a dry-cleaning facility or upon importation by the drycleaner.

The definition of a 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 pollutants tax imposed under section 206.9935, Florida Statutes, is collected for and managed under the Coastal Protection, Inland Protection, and Water Quality Assurance trust funds.

Who Must Pay Tax?

The tax on pollutants is paid by the person who owns the pollutant when it is first imported, produced, or removed from storage in Florida. Tax is reported and paid on a *Pollutants Tax Return* (Form DR-904).

When is Tax Due?

Returns and payments are due the 1st and late after the 20th of the month following each collection period, whether you are filing monthly, quarterly, twice a year, or yearly. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns are timely if filed electronically, postmarked, or hand-delivered on the first business day after the 20th. **Florida law requires you to file a tax return even if you do not owe pollutants tax.**

When you electronically pay only or you electronically file and pay at the same time, you must initiate your electronic payment and receive a confirmation number no later than 5:00 p.m., ET, on the business day prior to the 20th. Keep the confirmation number in your records. The Florida eServices Calendar of Electronic Payment Deadlines (Form DR-659) provides a list of deadlines for initiating electronic payments on time and is available on the Department's website at floridarevenue.com/forms.

If you file your return or pay tax late, a penalty of 10% of tax due will be applied for each month, or portion of a month, the return is late. The maximum penalty is 50% and the minimum is \$10, even if no tax is due. A floating rate of interest applies to underpayments and late payments of tax. Interest rates are available on the Department's website at floridarevenue.com/taxes/rates.

Who Must Register?

Persons liable for pollutant taxes must register before doing business in Florida. To register, complete a *Florida Fuel or Pollutants Tax Application* (Form DR-156), which is part of the *Registration Package for Motor Fuel and/or Pollutants Registrants* (GT-400401) available at floridarevenue.com/forms. 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 Must Undergo a Background Check?

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

Background Check Process

The background check is a two-step process.

- Questions 37 through 49 on the *Florida Fuel or Pollutants Tax Application* (Form DR-156) provide the Department of Revenue with information used to begin the process. The answers provided help the Department determine the financial standing of the applicant.
- After the application has been received, the Department of Revenue contacts the applicant by mail to confirm who must complete the Florida Department of Law Enforcement (FDLE) and the Federal Bureau of Investigation (FBI) portion of the background check. The instructions for initiating this external background check are provided by the Department of Revenue.

Bonding Requirements

Registrants 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, a bond is not 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.

Taxes Imposed

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.

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

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

Pollutant Discharge Prevention and Removal (section 376.75, Florida Statutes): Applies to perchloroethylene only.

Tax Rates for Pollutants

The following taxes and rates are imposed on products defined as pollutants.

Tax Imposed	Tax Rate Per Barrel	Tax Rate Per Gallon	Product(s) Taxed
Coastal Protection	2 cents	.048 cents	All Pollutants
Water Quality Assurance		2.5 cents	Motor Oil and Other Lubricants
		5.9 cents	Solvents
	5 cents	.119 cents	Petroleum, Chlorine, and Pesticides
	2 cents	.048 cents	Ammonia
Inland Protection	80 cents	1.904 cents	All Pollutants
Hazardous Waste Management		\$5 dollars	Perchloroethylene

Pollutants tax rates are not tied to the Consumer Price Index and do not change each year. However, rates can change depending on the available balance in each of the trust funds. Verify current rates on our website at floridarevenue.com/taxes/rates.

Exemptions 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.
- 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.

Definitions

Ammonia: Anhydrous liquid ammonia (NH₃).

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

Chlorine: Anhydrous liquid chlorine (C_{1,2}).

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.

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 FOB (Free on Board) 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.

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 on page 1, under “Petroleum based products.”

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.

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.

Solvents: Include certain organic compounds in liquid form. Examples are listed under “Taxable Solvents.”

Storage facility: A location:

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

For nonpetroleum companies, a location is determined to be a “storage facility” if the specific nature of the business warrants it.

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.

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

* Pollutants tax (Water Quality Assurance) of 5.9 cents per gallon is due on perchloroethylene and Pollution Discharge Prevention and Removal Tax of \$5.00 per gallon is due on perchloroethylene used for dry cleaning.

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 less than 400 degrees Fahrenheit 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
aniline	ethyl benzene	petroleum-derived ethanol
benzene	ethylene dichloride	phenol
butyl acetates (all)	ethylene glycol	stoddard solvent
butyl alcohols (all)	formaldehyde	tetrahydrofuran
butylbenzyl phthalate	furfural	toluene
carbon disulfide	isophorone	trichloroethylene
carbontetrachloride	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

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, Florida Statutes.

Reference Material:

Law – Chapter 206, Part IV, Florida Statutes, available at leg.state.fl.us

Contact Us

Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

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

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