

ILLINOIS POLLUTION CONTROL BOARD  
January 26, 2007

MARATHON ASHLAND PETROLEUM,	)	
LLC (Gasoline Desulfurization Unit)	)	
(Property Identification Number 51-34-1-21),	)	
	)	
Petitioner,	)	
	)	
v.	)	PCB 07-56
	)	(Tax Certification - Air)
ILLINOIS ENVIRONMENTAL	)	
PROTECTION AGENCY,	)	
	)	
Respondent.	)	
	)	
	)	

ORDER OF THE BOARD (by G.T. Girard):

On January 4, 2006, the Illinois Environmental Protection Agency (Agency) recommended that the Board certify certain air emission equipment owned by Marathon Ashland Petroleum, LLC (Marathon Ashland Petroleum) as “pollution control facilities” for preferential tax treatment under the Property Tax Code (35 ILCS 200/11-5 *et seq.* (2004)). The equipment is located at Marathon Ashland Petroleum’s petroleum refinery in Robinson, Crawford County. The Agency filed the recommendation under Part 125 of the Board’s procedural rules (35 Ill. Adm. Code 125). In this order, the Board describes the legal framework for tax certifications, discusses the Agency’s recommendation, and certifies that Marathon Ashland Petroleum’s equipment to be pollution control facilities.

**LEGAL FRAMEWORK**

Under the Property Tax Code, “[i]t is the policy of this State that pollution control facilities should be valued, at 33 1/3% of the fair cash value of their economic productivity to their owners.” 35 ILCS 200/11-5 (2004); *see also* 35 Ill. Adm. Code 125.200(a)(2). “For tax purposes, pollution control facilities shall be certified as such by the Pollution Control Board and shall be assessed by the Department [of Revenue].” 35 ILCS 200/11-20 (2004); *see also* 35 Ill. Adm. Code 125.200(a).

Under Section 125.202 of the Board’s procedural rules, a person may submit an application for tax certification to the Agency. 35 Ill. Adm. Code 125.202. If the Agency receives a tax certification application, the Agency must file with the Board a recommendation on the application, unless the applicant withdraws the application. 35 Ill. Adm. Code 125.204(a). Among other things, the Agency’s filing must recommend that the Board issue or deny tax certification. 35 Ill. Adm. Code 125.204(a)(4). If the Board finds “that the claimed facility or relevant portion thereof is a pollution control facility . . . , the Pollution Control Board . . . shall

enter a finding and issue a certificate to that effect.” 35 ILCS 200/11-25 (2004); *see also* 35 Ill. Adm. Code 125.216(a).

### **AGENCY RECOMMENDATION**

The Agency states that it received a tax certification application from Marathon Ashland Petroleum. Agency Rec. at 1. On January 4, 2007, the Agency filed a recommendation on the application with the Board. The Agency’s recommendation identifies the equipment at issue as a:

Gasoline Desulfurization Unit, which, through a two-step process utilizing a Selective Hydrogenation Unit and a Hydrodesulfurization Unit, allows the refinery to reduce the sulfur content of its gasoline in order to comply with federal gasoline content requirements. The federal requirements are meant to remove sulfur in the gasoline pool and thereby reduce sulfur dioxide emissions caused by the use of gasoline by automobiles and other gas-powered engines. Agency Rec. at 2.

The Agency’s recommendation also identifies the location of the equipment: 100 Marathon Avenue, Robinson, in Crawford County. *Id.* at 1. The Agency recommends that the Board certify the identified equipment to be pollution control facilities as defined in Section 11-10 of the Property Tax Code (35 ILCS 200/11-10 (2004)) because the underlying purpose of the equipment is to “prevent, eliminate or reduce air pollution”. Agency Rec. at 2.

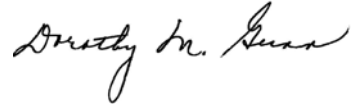
### **TAX CERTIFICATE**

The Board finds and certifies that Marathon Ashland Petroleum’s equipment identified in this order to be pollution control facilities under the Property Tax Code (35 ILCS 200/11-10 (2004)). Under Section 11-25 of the Property Tax Code, the effective date of this certificate is “the date of application for the certificate or the date of the construction of the facility, which ever is later.” 35 ILCS 200/11-25 (2004); *see also* 35 Ill. Adm. Code 125.216(a). Section 125.216(d) of the Board’s procedural rules states that the Clerk “will provide the applicant and the Agency with a copy of the Board’s order setting forth *the Board’s findings and certificate, if any.*” 35 Ill. Adm. Code 125.216(d) (quoting in italics 35 ILCS 200/11-30 (2004)). The Clerk therefore will provide Marathon Ashland Petroleum and the Agency with a copy of this order.

IT IS SO ORDERED.

Section 41(a) of the Environmental Protection Act provides that final Board orders may be appealed directly to the Illinois Appellate Court within 35 days after the Board serves the order. 415 ILCS 5/41(a) (2004); *see also* 35 Ill. Adm. Code 101.300(d)(2), 101.906, 102.706. Illinois Supreme Court Rule 335 establishes filing requirements that apply when the Illinois Appellate Court, by statute, directly reviews administrative orders. 172 Ill. 2d R. 335. The Board’s procedural rules provide that motions for the Board to reconsider or modify its final orders may be filed with the Board within 35 days after the order is received. 35 Ill. Adm. Code 101.520; *see also* 35 Ill. Adm. Code 101.902, 102.700, 102.702.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on January 26, 2007, by a vote of 4-0.

A handwritten signature in cursive script that reads "Dorothy M. Gunn".

Dorothy M. Gunn, Clerk  
Illinois Pollution Control Board