



State Board of Equalization

# News Release

**Michelle Steel, Member**

**3<sup>rd</sup> District – Rolling Hills Estates**

Ramon J. Hirsig  
Executive Director  
[www.boe.ca.gov](http://www.boe.ca.gov)

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**Contact: NR 33-08-S**  
**Anita Gore**  
**916-327-8988**

## **Michelle Steel Announces February California Gasoline Consumption Data** *Data Adjustments for Audits and Leap Year Reveal Continuing Decline*

Michelle Steel, Third District Member of the State Board of Equalization (BOE), today released gasoline consumption figures for February 2008. Data indicate Californians used 6.9 percent more gasoline than they did the same month a year ago. There are other factors potentially contributing to this increase.

In February 2008, Californians used 1,282.3 million gallons. Total gallons of gasoline used were 82.4 million higher in February this year over last. However, 71.0 million gallons of the February 2008 total were related to audit assessments for prior time periods. The figures reported monthly are net consumption that includes BOE audit assessments, refunds, amended and late tax returns, and State Controller's Office refunds. However, 71 million gallons is an uncharacteristically high audit related increase. If the February figure is reduced by 71.0 million gallons to adjust for the audits, Californians used 0.9 percent more this February than last and 1.9 percent less gasoline than in January 2008.

In addition to the audit information, it is important to note that 2008 is a leap year, giving February an additional day for consumption. If February 2008 is compared to February 2007, (subtracting the 71 million gallon audit) and converting the data to a daily basis, there is a 2.5% decline rather than a 0.9% increase. This decline is in line with that of previous recent months.

The February 2008 pump price averaged \$3.23 per gallon, 52 cents above those seen in February 2007 of \$2.71. Gas prices were down slightly compared to \$3.30 per gallon in January, another deviation from the trend in recent months.

The BOE estimates that higher gasoline prices over the year and increased reported gallons combined to generate approximately \$305 million in sales tax revenue during February 2008. In contrast, February 2007's gasoline sales generated \$239 million in sales tax receipts.

The BOE estimates that nearly twice as much sales tax is generated annually by higher gasoline prices than five years ago. Those higher prices generated approximately \$3.6 billion in sales tax during 2007 when the average price was \$3.12. In contrast, 2003's gasoline sales generated \$2.1 billion when the average pump price was \$1.88. The State's excise tax, 18 cents collected on every gallon, has remained relatively stable.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for March 2008 are scheduled to be available near the end of June. All monthly, quarterly, and annual figures can be viewed on the BOE website at: <http://www.boe.ca.gov/sptaxprog/reports/MVF%2010%20Year%20Report.pdf>

Elected to the Board of Equalization in 2006, Michelle Steel serves as the country's highest ranking Korean-American elected official. She represents the more than 8.5 million taxpayers of the Third Board of Equalization District, including the counties of Los Angeles, Orange, San Diego, Riverside, Imperial and San Bernardino.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes.

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