



State Board of Equalization

News Release

Michelle Steel, Member

3rd District – Rolling Hills Estates

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Michelle Steel: California Gasoline Consumption Plummets in May

Californians Used 65 Million Fewer Gallons of Gas from Previous Year

(SACRAMENTO)- Board of Equalization Member Michelle Steel today released new gasoline consumption figures that show Californians used nearly 65.0 million fewer gallons of gasoline this May than last year. The precipitous decline of nearly 5% continues a downward trend primarily caused by higher gas prices.

“The numbers confirm what every hard working family already knows,” explained Michelle Steel, Third District Board of Equalization Member. “When gas prices go up, gas consumption goes down.”

A month to month comparison shows that in May 2008, Californians used 26.2 million gallons (2.1%) more gasoline than in April 2008. Historically, May shows an increase over April, in part because of the Memorial Day holiday, which traditionally is the start of the summer when people travel more and consume more fuel.

The average California gas price at the pump rose from \$3.85 per gallon in April to \$4.02 in May 2008, which was 15.2 percent above the average price of May 2007 when it was \$3.49. 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.

May 2008 diesel fuel sold for use on California roads totaled 225 million gallons, which was 11.0 percent below that of May 2007. A month to month comparison shows that in May 2008 Californians used 4.9 million (2.1%) gallons less diesel than April 2008. The decreased consumption reflects both the impacts of higher diesel prices and the slowing economy, which is associated with less freight movement on California roads and highways. California diesel prices were up 58 percent compared to May of 2007.

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

Taxable Gasoline Gallons: http://www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf

Taxable Diesel Gallons: http://www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf

The five-member California State Board of Equalization (BOE) 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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