



State Board of Equalization

News Release

Michelle Steel, Member

3rd District – Rolling Hills Estates

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Michelle Steel Says California 4Q09 Gas Use Fell 1.7%, Diesel Falls 3.9%

Smallest Quarterly Decline in Diesel Consumption since Early 2008, Some Evidence Economy Slowly Improving

Michelle Steel, Third District Member of the State Board of Equalization (BOE), today released gasoline and diesel consumption figures for California for December and the fourth quarter of 2009.

Gasoline consumption declined 2.2 percent in December and declined 1.7 percent in the fourth quarter compared to the same month and quarter in 2008. Diesel consumption increased 3.7 percent in December, the first monthly increase since February 2008. In the fourth quarter diesel consumption declined 3.9 percent compared to the same period in 2008.

For all of 2009, California gas consumption declined 1.5 percent, compared to a 4.1 percent decrease for all four quarters of 2008.

(Editor's note – please see the two attached charts showing year over year quarterly gasoline and diesel consumption comparisons for the last 16 consecutive quarters from first quarter 2006 through fourth quarter 2009).

In the fourth quarter of 2009, Californians used 61.4 million gallons of gasoline less than the fourth quarter 2008, which is a decline of 1.7 percent.

In December 2009, gasoline demand declined 2.2 percent when Californians used 1.237 billion gallons of gasoline compared to 1.265 billion gallons the same month in 2008. The average California gasoline price at the pump in December was \$2.96 per gallon compared to \$1.87 in December 2008, a 58.3 percent increase.

Gasoline sold in December generated approximately \$306 million in sales tax during that month, an estimated \$131 million more than generated last year. December sales and use tax revenues from gasoline would have been about \$34 million less had the state portion of the sales and use tax not increased by one percent on April 1, 2009.

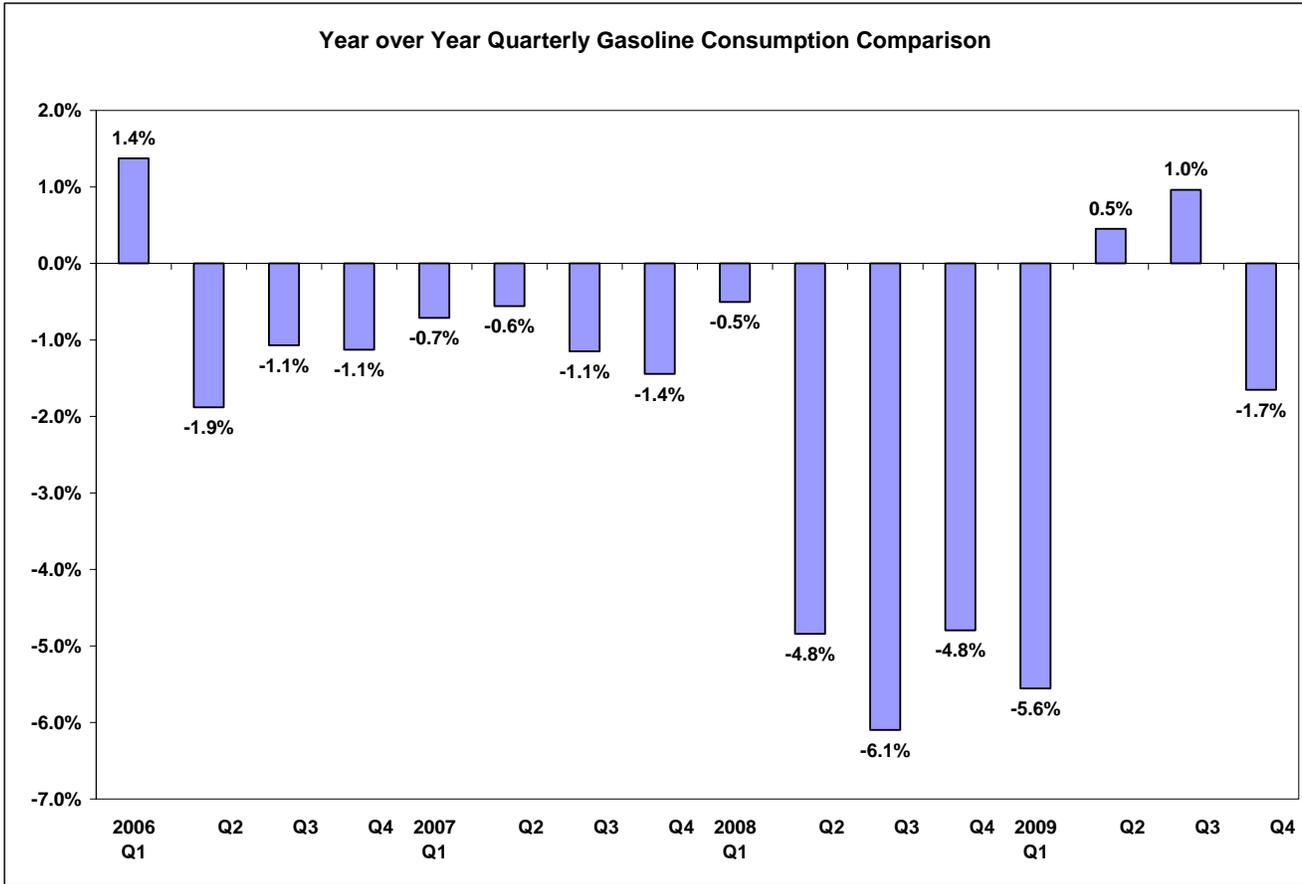
Diesel fuel sold in California during December totaled 232 million gallons compared to the previous year total of 223 million gallons, which is an increase of 3.7 percent. California diesel prices were \$2.91 per gallon in December 2009 an increase of 23.8 percent compared to December 2008 when the average diesel price was \$2.35 per gallon.

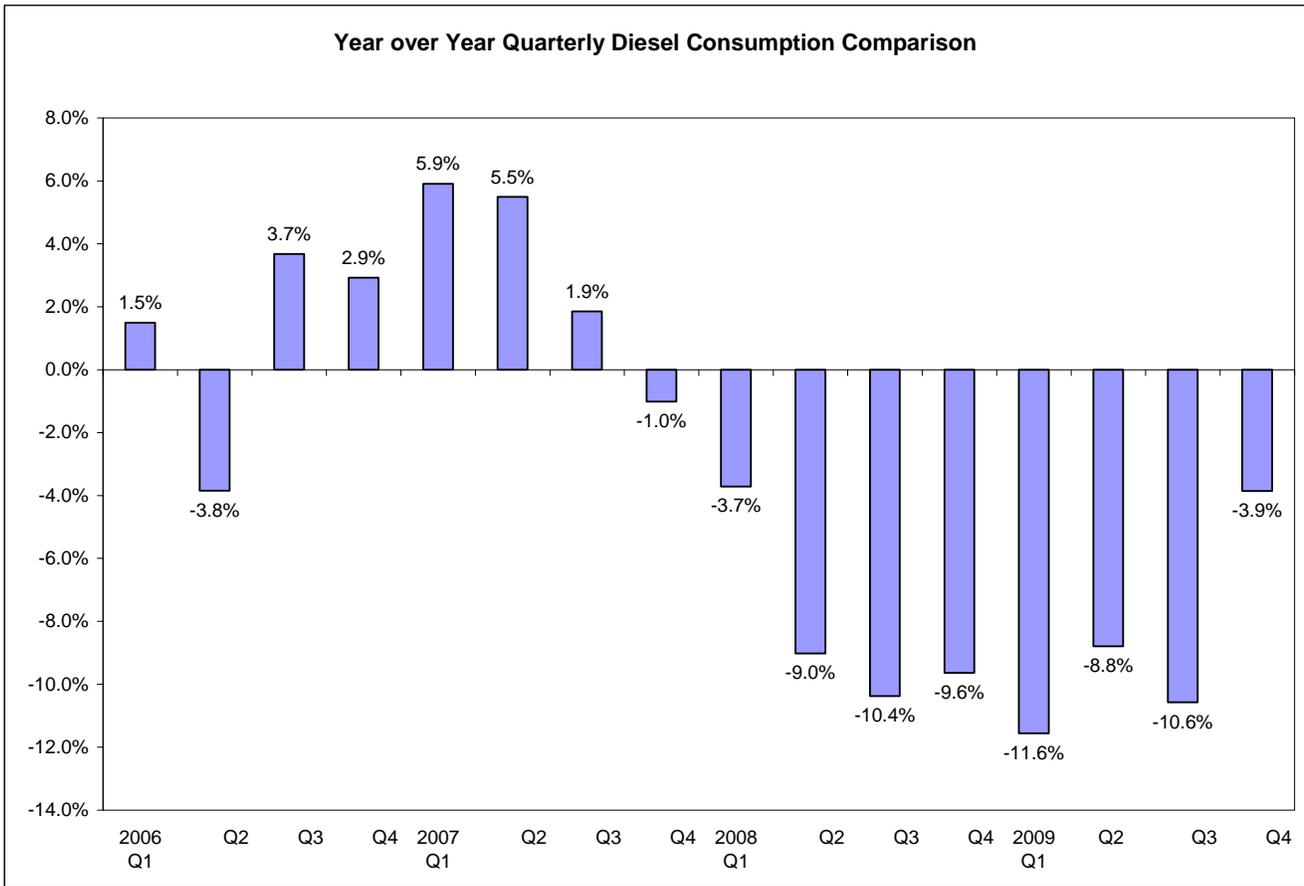
Diesel consumption in California declined 3.9 percent in the fourth quarter of 2009 when Californians used a total of 654 million gallons of diesel compared to the fourth quarter of 2008 when Californians used a total of 680 million gallons. This decline is much less than the 10.6 percent decline in the third quarter.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for January 2010 are scheduled to be available at the end of April 2010. All monthly, quarterly, and annual figures can be viewed at: www.boe.ca.gov/sptaxprog/spftrpts.htm.

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

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





Elected to the Board of Equalization in 2006, Michelle Steel serves as Southern California’s elected taxpayer advocate. In 2008, Steel uncovered a \$42 million mistake in the agency’s sales tax refund procedures. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses.

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. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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