



Special Notice

CALIFORNIA STATE
BOARD OF EQUALIZATION
450 N STREET
SACRAMENTO, CA 95814

Tax Rates for Motor Vehicle and Diesel Fuels

Rates in Effect through June 30, 2016

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www.boe.ca.gov

CUSTOMER SERVICE
CENTER
1-800-400-7115
TTY:711

Sales and Use Tax Rates		
Type of Fuel	Prepayment Per Gallon (Effective April 1, 2015)	Sales and Use Tax Rates*
Gasoline (Motor vehicle fuel)	5 cents (\$0.05)	2.25%
Aircraft jet fuel	11.5 cents (\$0.115)	7.50%
Diesel fuel	22.5 cents (\$0.225)	9.25%
Aviation Gasoline	Not Applicable	Not Applicable

* You must add district taxes where applicable. District tax rates for your area are available on our website at www.boe.ca.gov/pdf/boe105.pdf.

Excise Tax Rates Per Gallon		
Type of Fuel	Through June 30, 2015	Effective July 1, 2015
Gasoline (Motor vehicle fuel)	36 cents (\$0.36)	30 cents (\$0.30)
Aircraft jet fuel ¹	2 cents (\$0.02)	2 cents (\$0.02)
Diesel fuel	11 cents (\$0.11)	13 cents (\$0.13)
Aviation Gasoline ¹	18 cents (\$0.18)	18 cents (\$0.18)

¹ Excise taxes on aircraft jet fuel and aviation gasoline are not subject to an annual adjustment.

When are the rates established?

By March 1 of each year, we are required to establish the sales tax prepayment and excise tax rates on fuels that will be in effect from July 1 through June 30 of the following year. Generally new prepayment rates take effect July 1. However, the price of fuels has recently decreased significantly, resulting in prepayments exceeding the fuel retailer's sales tax liability. As a result, new prepayment rates took effect April 1, 2015.

How are the sales tax prepayment rates determined?

The prepayment rate for each gallon of gasoline, aircraft jet fuel, and diesel fuel is calculated at 80 percent of the combined state and local sales tax on the average selling price of the fuel, excluding sales tax, as reported by industry publications. We may adjust these rates during the year if changes in fuel prices cause fuel retailers to prepay too much or too little tax. We will notify you if this occurs.

Why are the excise tax rates adjusted?

State laws enacted in 2010 created a new tax structure for gasoline and diesel fuels. These laws require us to adjust the excise tax rates by March 1 of each year so that the overall state taxes consumers pay at the pump on a gallon of fuel remain the same as they would have paid under the prior tax structure.

For more information

If you have additional questions regarding this notice, you may call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. For information regarding the Greenhouse Gas Emissions Fee and other topics, please see our [Tax Guide for Gas Station Operators](#) located in the [Industry Guides](#) section on our website at www.boe.ca.gov.