



**BOARD OF EQUALIZATION, MIKE SCHAEFER, Member**  
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TO: Chair Leiber, Vice Chair Gaines, Members Cohen and Vazquez 3/25/2026

RE: LABOR CODE SEC. 2802, REQUIRED CAR ALLOWANCES WHERE  
PERSONAL VEHICLE USED(STATE BUSINESS), REASONABLE ESTIMATE

1. California Citizens Compensation Commission is tasked with setting salaries and fringe Benefits for the Legislature and "California's other non-federal elected officials".
2. Our Executive Director was not aware of this or she would have so arranged. The CCCC has until June 30 annually to decide what changes are made as of December.
3. If the Board does not act today, I will bring the matter to attention of CCCC. It would be appropriate for Board to recommend the lowest of amounts, a standard set by our Legislature(\$300 mo.) as alternative to individual records and reports -- at .70 per mile, an amount the IRS allows for (a)operations, (b)repairs, (c)depreciation or rental costs, as reasonable.
4. The amount is considered taxable income. It is optional as to the official concerned. Attached please see Robert Taylor's Dec. 22, 2024 discussion on the topic. It is reasonable alternative to individual miles/reporting.

WHEREFORE; Member Schaefer moves that our Chair or Executive advise CCCC that the Board finds \$300.00 monthly a reasonable and acceptable car allowance for its elected Members who elect to use their personal car when conducting state business. This is the lowest of amounts and consistent with our duty to operate cost-effectively & efficiently . Request it commence upon approval.

Respectfully,  
MIKE SCHAEFER, Member District 4

A handwritten signature in black ink that reads "Mike Schaefer".

# How Much Is Car Allowance in California?

Written by: Robert Taylor

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Let's talk about **car allowances** in **California** and how they vary based on several factors. We've all heard figures ranging from \$300 to \$1,000 monthly, but what determines these amounts? **Job roles**, company budgets, and **geographic locations** all play significant roles. For instance, sales and managerial positions might see higher allowances due to frequent travel. Urban areas like San Francisco often dictate more generous compensation compared to rural spots. So, how do employers balance these factors while staying compliant with state labor laws? The intricacies of car allowances are more complex than they seem.

## Key Takeaways

- Car allowances in California typically range from \$400 to \$1,000 monthly, depending on job role and location.
- Sales and managerial roles often receive higher allowances due to increased travel demands.
- Urban areas like San Francisco and Los Angeles generally offer larger car allowances compared to rural regions.
- Allowances must reasonably cover actual vehicle expenses to comply with **California Labor Code Section 2802**.
- Car allowances in California are considered taxable income, affecting employees' financial planning.