

Are you using Straight Vegetable Oil (SVO) or Waste Vegetable Oil (WVO) as a diesel fuel substitute?

Do you have a conversion system for your diesel-powered vehicle so you can run it on straight vegetable oil (SVO)? If so, you need to pay the California diesel fuel tax on all SVO used in your diesel-powered vehicle on California roads and highways.

Raw vegetable oil, whether it's SVO (virgin oil, fresh, uncooked) or WVO (used cooking oil, "grease," fryer oil, including tallow, fats), and other biomass-based fuel, that is sold or used in powering a motor vehicle in California is subject to the California diesel fuel tax in the same manner as petroleum-based diesel fuel.

California fuel taxes pay for the construction and maintenance of the roads and highways. The tax applies to "fuel" used on roads and highways, whether the "fuel" is sold or given away.

Raw vegetable oil is not the same as biodiesel. It does not meet biodiesel specifications and is not registered with the Environmental Protection Agency as a motor fuel. However, raw vegetable oil (SVO, WVO, etc) that is sold for use as a diesel fuel or used in powering a motor vehicle must be reported to the BOE and the tax must be remitted.

In general, you must register with the Fuel Taxes Division if you do any of the following in California:

- Manufacture or produce biodiesel, even for your own use
- Process or filter used vegetable oil for use in powering a motor vehicle
- Use, sell or import raw vegetable oil for use in powering a motor vehicle
- Sell or import biodiesel that has not been previously taxed as diesel fuel
- Blend biodiesel with petroleum diesel

For more information please call our Fuel Industry Section at 322-9669, or visit our website at www.boe.ca.gov.