



State Board of Equalization

News Release

Bill Leonard, Member

2nd District – Sacramento

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Bill Leonard Announces March California Gasoline Consumption Data *Gasoline Data Continues to Show Downward Trend from Previous Year; Diesel Also Down*

Bill Leonard, Member of the State Board of Equalization (BOE), today released gasoline consumption figures for March 2008 that shows a continuing downward trend. Californians used 3.2 percent less gasoline in March than they did a year ago.

Total gallons of gasoline used were 43.5 million fewer in March this year over last. A month to month comparison shows that in March 2008, Californians used 27.2 million gallons, 2.1 percent more gasoline than in February 2008. Historically, March always shows an increase over February, in part because March has two to three more calendar days than February. March is also the transition month from the dead of winter into spring causing people to be more active, and consume more fuel. This year's small February to March increase is at least in part explained by the unusually large February audit assessments, which artificially boosted the February figure.

The average California gas price at the pump rose from \$3.23 per gallon in February to \$3.61 in March, and was 16 percent above the average price of March 2007. 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.

March diesel fuel sold for use on California roads was 12.4 percent below that of March 2007, the largest monthly decline since 2004. On a quarterly basis, diesel fuel consumption on roads declined 3.7 percent in the first quarter of 2008 compared to the first quarter of 2007. This is the second consecutive quarter diesel fuel use on roads has declined. 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. On a quarterly basis California diesel prices were up 27.4 percent compared to the first quarter of 2007.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for April 2008 are scheduled to be available near the end of July. 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

Bill Leonard, of Sacramento/Ontario, was elected as the Second District Member of the State Board of Equalization in 2002 and reelected in November 2006. Prior to his election, Bill Leonard served in the State Assembly (1978-1988, 1996-2002) and in the State Senate (1988-1996).

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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