



State Board of Equalization

News Release

Michelle Steel, Member

3rd District – Rolling Hills Estates

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Michelle Steel: California's Gasoline and Diesel Consumption Continues Decline

Michelle Steel, Third District Member of the State Board of Equalization (BOE), today announced gasoline figures that show a continuing decline in California gasoline use in February 2009 from February 2008. Californians used a total of 1.12 billion gallons of gasoline in February 2009, compared with 1.28 billion in February 2008.

While the gallons reflected in the February numbers are down 160 million gallons, indicating a decline of 12.5 percent, the reduction in consumption could likely be less. The actual decline may be closer to 89 million, a decline of 7.4 percent, because the February 2008 figures include 71 million gallons in audit assessments. The gallons included in the monthly consumption numbers are always net of audit assessments, but the February 2008 audit assessment was greater than most and may have skewed the actual amount of decline.

The average California gas price at the pump in February 2009 was \$2.27 per gallon, a 29.7 percent decrease from the average price in February 2008 when it was \$3.23. Gasoline sold at the lower price in February 2009 generated approximately \$187 million in sales tax during that month, an estimated \$117.8 million less than was generated in February 2008.

Diesel fuel sold for use on California roads totaled 181.8 million gallons in February 2009, an 18.8 percent decline, which is 42.2 million gallons below the February 2008 total of 224 million gallons. The decreased consumption reflects the impacts of the recession that is associated with less freight movement on California roads and highways. California diesel prices were \$2.26 in February 2009, down 35.2 percent compared to February 2008 when the average diesel price was \$3.49.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. The figures reported monthly are net consumption that includes BOE audit assessments, refunds, amended and late tax returns, and State Controller's Office refunds. Figures for March 2009 are scheduled to be available at the end of June 2009. All monthly, quarterly, and annual figures can be viewed on the BOE website 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.

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