

**For Immediate Release**  
**March 1, 2013**

**Contact: NR 22-13-G**  
**Jaime Garza**  
**1-916-327-8988**

## **Gasoline Excise Tax to Increase 3.5 Cents on July 1, 2013**

**Sacramento** – Effective July 1, 2013, the excise tax on gasoline will increase 3.5 cents per gallon following a vote February 28, 2013 by the California State Board of Equalization. The Board is sensitive to the financial impact consumers are feeling at the pump, but state law requires the BOE to adjust the excise tax rate by March 1 of each year in order to ensure revenue neutrality.

As gasoline prices increase, the relative amount of state sales tax that would be collected, but for the fuel tax swap, decreases and must be offset by an increase in the excise tax rate.

In 2010, Governor Arnold Schwarzenegger signed [Assembly Bill x8 6](#), Ch. 11, and [Senate Bill 70](#), Ch. 9. These bills lowered the sales and use tax rate on gasoline and increased the excise tax rate on July 1, 2010. The laws require the annual sales and excise taxes paid on gasoline to remain revenue neutral. They also mandated the BOE to adjust the excise tax rate by March 1 of each year in order to ensure revenue neutrality.

\* \* \* \* \*

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53.7 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. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

###

**Connect with Us:**

