



State Board of Equalization

# News Release

## Vice Chair Michelle Steel

### 3<sup>rd</sup> District – Orange County

Cynthia Bridges  
Executive Director  
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### **Michelle Steel Warns Gasoline Excise Tax to Increase 3.5 Cents on July 1, 2013**

**Sacramento** – Michelle Steel, Vice Chair of the State Board of Equalization, warned taxpayers today that effective July 1, 2013, the excise tax on gasoline will increase 3.5 cents per gallon, taking it from 36 cents to 39.5 cents per gallon.

[Assembly Bill x8 6](#), Ch. 11, and [Senate Bill 70](#), Ch. 9, which became law in 2010, lowered the sales tax rate on gasoline and increased the excise tax rate. The laws also required the Board of Equalization, by March 1 each year, to forecast the price of gas and how many gallons Californians will buy in the coming year, and estimate how much sales tax would have been collected if the rate had not been reduced. If the estimates project an increase in sales tax revenue, staff is obligated to propose an increase in the excise tax rate to raise the same amount.

While gasoline consumption has declined slightly in recent years, in 2011 and 2012 the price of gasoline greatly outpaced these modest declines in consumption. Rising gas prices in the past two years and estimates of continued increases in the coming year obligated staff, under the law, to propose an increase in the excise tax rate. The Board of Equalization approved the increased rate in a 3-2 vote at its Board meeting on February 28, 2013.

Vice Chair Steel, who voted against increasing the gasoline tax, said, “Gas prices rise and fall at different times throughout the year and are notoriously difficult to predict. Raising the excise tax rate based on such shaky guessing is wrong, especially when Californians are already hurting.”

Ms. Steel added, “If BOE members had rejected these speculative projections, Californians would have saved 3.5 cents per gallon of gas starting July 1. However, the increase was approved.”

\* \* \* \* \*

Elected to the Board of Equalization in 2006 and re-elected in 2010, Michelle Steel serves as *Southern California’s elected taxpayer advocate*. In December 2007, Steel discovered the Board of Equalization had delayed the return of millions of dollars in security deposits owed to California businesses. Procedures were changed due to Steel’s decisive leadership. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses. To date, over \$100 million in security deposits have been returned to taxpayers.

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).

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