
At its February 29, 2012 meeting, the Board of Equalization set new excise tax rates for motor vehicle fuel (MVF) and diesel fuel for the state’s 2012-13 fiscal year. The new rates take effect at 12:01 a.m. July 1, for the period July 1, 2012 through June 30, 2013.

The excise tax rate for MVF for the period July 1, 2012 through June 30, 2013 will be $0.360 per gallon, an increase of $0.003 per gallon over the current rate. The rate increase was computed in accordance with Revenue and Taxation Code (R&TC) section 7360.

The excise tax rate for diesel fuel for the period July 1, 2012 through June 30, 2013 will be $0.10 per gallon, a decrease of $0.03 per gallon from the current rate. The rate decrease was computed in accordance with R&TC section 60050. In addition, effective July 1, 2012, the sales and use tax rate on retail sales of diesel fuel will increase to 9.42 percent, plus any applicable district taxes in accordance with R&TC section 6051.8.

Please note: These rate adjustments do not take into account the possible expiration of the federal highway transportation act and reduction of federal excise taxes on motor vehicle fuels on July 1, 2012. Congress passed a 90-day extension of the highway transportation act on March 29, extending it through June 30, 2012. Expiration or reduction of the federal excise taxes on fuel would result in an increase in the state excise taxes on fuel. As the June 30, 2012 deadline approaches, please visit www.boe.ca.gov and go to the In The Spotlight section for up-to-date information on the status of the federal excise taxes.

For more information

If you have any questions regarding this notice, please call the Taxpayer Information Section at 800-400-7115 (TTY:711). From the main menu, select the Special Taxes and Fees option. Assistance is available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.