



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

450 N Street
Sacramento
California 95814

JOHN CHIANG
Chairman, BOE

RAMON J. HIRSIG
Executive Director

FOR IMMEDIATE RELEASE

NR# 64-C
Date: September 21, 2005
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CHIANG ANNOUNCES EXTENDED FUEL TAX RELIEF

John Chiang, Chairman of the California State Board of Equalization (BOE), announced that the BOE has extended its penalty relief on dyed diesel fuel sold for use or used on the highway. In response to shortages of clear diesel fuel caused by Hurricane Katrina, the BOE previously waived the penalty through September 15, 2005. The relief will now remain in effect until October 5, 2005.

“Ample supplies of fuel are vital to disaster relief and economic recovery,” said Chiang.

This penalty relief is available to any person who sells or uses dyed diesel fuel for highway use. The relief is available only if the operator or the person selling the fuel pays the state diesel fuel excise tax of 18 cents per gallon.

The Internal Revenue Service (IRS) has adopted the same period for relief from federal penalties imposed on the sale or use of dyed diesel fuel on the highway. For more information on the IRS relief policy see <http://www.irs.gov/irs/article/0,,id=148123,00.html>

Ordinarily, dyed diesel fuel is not taxed because it is sold for uses exempt from excise tax, such as farming purposes, construction activities, and other off-highway uses.

If you have questions about this notice, or require assistance in remitting the excise tax on dyed diesel fuel, please call the Fuel Taxes Division at 916-322-9669 or toll-free at 800-400-7115 (follow the prompts to fuel taxes). Staff is available to help you weekdays from 8 a.m. to 5 p.m., except state holidays.

Chairman John Chiang, of Los Angeles, was elected to his first term as Fourth District Member on the State Board of Equalization in 1998, and re-elected in 2002. He was named Chair of the Board in December 2004. He also presided as Chair in 2002.

The five-member Board of Equalization is a publicly elected tax board. The Board collects more than \$44 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 plays a significant role in the assessment and administration of property taxes.

Other Board Members include Betty T. Yee of San Francisco, Acting Member, First District; Bill Leonard of Sacramento/Ontario, Second District; Claude Parrish of Long Beach, Third District; and State Controller Steve Westly.

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