



State Board of Equalization

News Release

Chairwoman Betty T. Yee

1st District – San Francisco

Ramon J. Hirsig
Executive Director
www.boe.ca.gov

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**Contact: Anita Gore
916-327-8988**

Betty T. Yee: 1st Quarter 2009 Gas Use Declined 5.6%; Diesel Use Drops 11.6%

Twelve Consecutive Quarterly Declines in California Gasoline Consumption

Betty T. Yee, Chairwoman of the Board of Equalization (BOE), today released gasoline and diesel consumption figures for March and complete figures for the first quarter of 2009.

The first quarter of 2009 marks the twelfth consecutive three-month period to show less gas consumption. In the first quarter of 2009, Californians used 213 million gallons less than the first quarter of 2008, which is a decline of 5.6 percent. For all of 2008, California gas consumption compared to the previous year declined 4.1 percent, a much larger decrease than the 1.0 percent drop in 2007.

“For three full years now consumers have cut down on the amount of fuel they use. High gasoline prices, use of more efficient vehicles and the downturn in the economy are all likely contributors to this trend,” said Chairwoman Yee.

(Editor’s note – please see the attached chart showing year over year quarterly gasoline consumption comparison for the last 12 consecutive quarters from 2006 through first quarter 2009).

Comparing monthly gasoline consumption over the same month a year earlier, gasoline consumption declined 2.3 percent in March 2009 from March 2008. Californians consumed a total of 1.3 billion gallons of gasoline in March, which is 30.2 million gallons below the same month in 2008. The average California gasoline price at the pump in March was \$2.24 per gallon, a 38 percent decline from the average price the same month last year when it was \$3.61. Gasoline sold at the lower price in March 2009 generated approximately \$211 million in sales tax during that month, an estimated \$137 million less than was generated in March 2008.

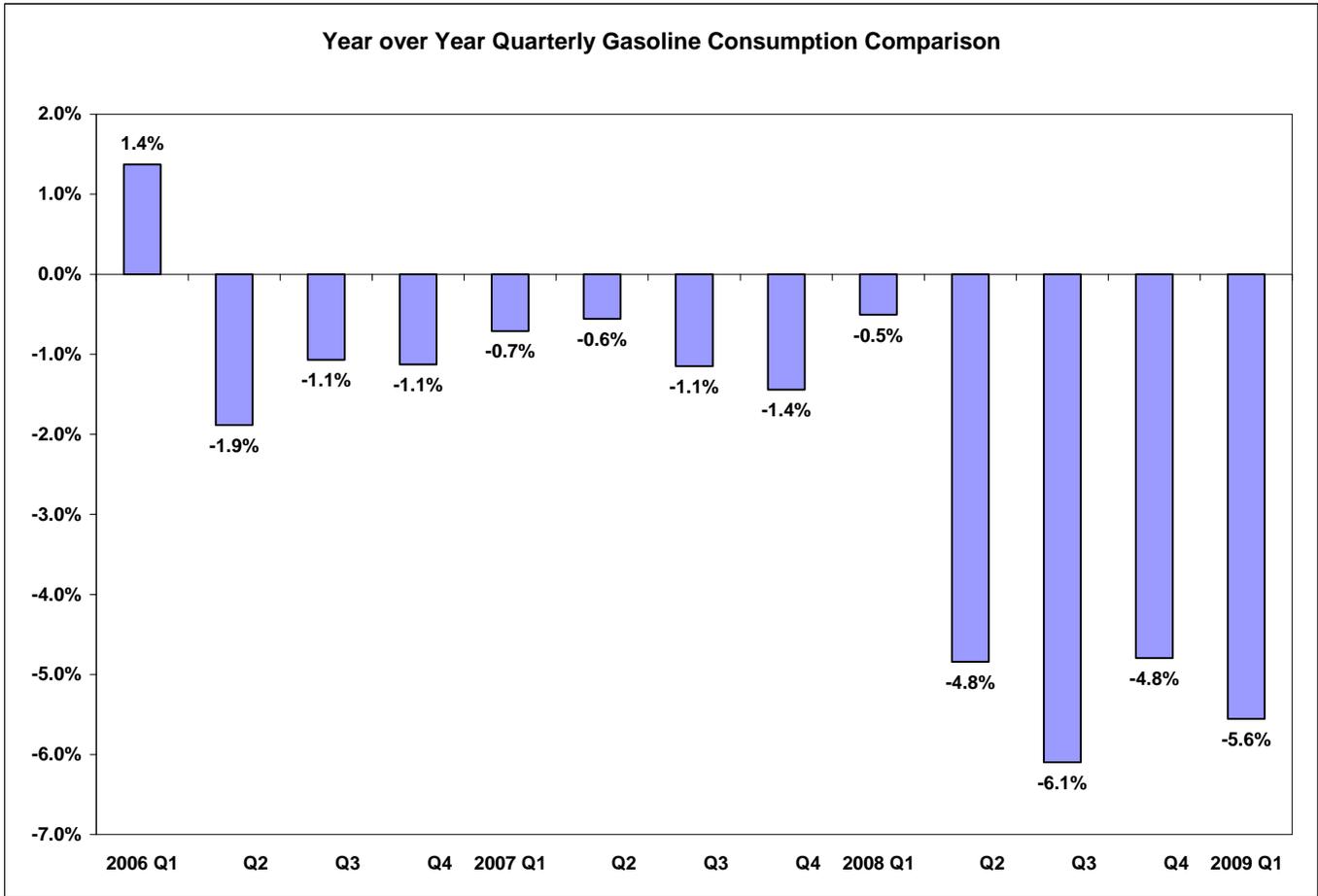
Diesel consumption in California declined 11.6 percent in the first quarter of 2009 from the first quarter in 2008. A total of 619 million gallons of diesel fuel were sold in the first quarter of 2009, which is 80.9 million gallons less than the first quarter of 2008. For all of 2008, California diesel consumption decreased 8.3 percent, reflecting the impacts of the national recession that is associated with much less freight movement on California roads and highways.

Diesel fuel sold for use on California roads in March 2009 declined 0.5 percent over March 2008; the total used was 240 million gallons, which is 1.3 million gallons below the previous March. With the effects of the recession, diesel consumption declined despite a steep decrease in prices. California diesel prices were \$2.14 per gallon in March 2009 down 47 percent compared to March 2008 when the average diesel price was \$4.01 per gallon.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for April 2009 are scheduled to be available at the end of July 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



Chairwoman Betty T. Yee was elected to her post in November 2006. Her district includes many of California's coastal counties, from Del Norte to Santa Barbara, and includes the entire San Francisco Bay Area.

The five-member California State Board of Equalization 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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