

**For Immediate Release**  
**February 27, 2013**

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**Board of Equalization Mandated to Adjust Gasoline Tax Rate**  
**Proposed Excise Tax Rate Change Effective July 1, 2013**

**Sacramento** – State laws enacted in 2010 created a new tax structure for gasoline and mandated the California State Board of Equalization (BOE) to adjust the state gasoline excise tax rate by March 1 of each year. This rate adjustment ensures the overall state taxes consumers pay at the pump remain the same as they would have been under the prior tax structure.

At its Thursday, February 28, 2013 meeting in [Culver City](#), the BOE will discuss the proposed adjustment for July 1, 2013 through June 30, 2014. The rate will take effect July 1, 2013.

Governor Arnold Schwarzenegger signed [Assembly Bill x8 6](#), Ch. 11, and [Senate Bill 70](#), Ch. 9 in March 2010. This legislation 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. It also mandated the BOE to adjust the excise tax rate by March 1 of each year in order to ensure revenue neutrality, as reflected in the graphic below:

Proposition 30’s quarter percent tax increase does not apply to gasoline purchases and does not affect this computation. Gasoline sales tax revenues fund local government programs, while the state excise tax on gasoline funds highway and mass transit projects throughout California.

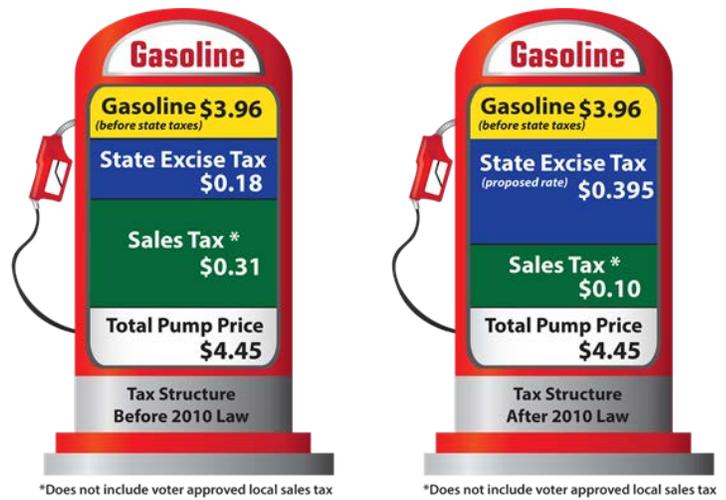
**Additional Information**

Board Agenda Memo:

[http://www.boe.ca.gov/meetings/pdf/022613\\_N1\\_FuelTaxSwapMemo.pdf](http://www.boe.ca.gov/meetings/pdf/022613_N1_FuelTaxSwapMemo.pdf)

Fuel Tax Swap:

<http://www.boe.ca.gov/sutax/gasswapfaq.htm>



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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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