



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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Gasoline Excise Tax to Increase 3.5 Cents on July 1, 2013

Sacramento – Effective July 1, 2013, the excise tax on gasoline will increase 3.5 cents per gallon to 39.5 cents per gallon and the excise tax on diesel fuel will remain unchanged at 10 cents per gallon following a vote February 28, 2013 by the California State Board of Equalization, which executed its legislative mandate to adjust the rate by March 1.

Although excise tax is not paid directly by the consumer, the gas station owner may choose to pass this tax onto the consumer in the form of higher gas prices. While the excise on gasoline will go up by 3.5 cents, the BOE cannot predict what the selling price of gasoline will be on July 1, 2013.

In 2010, Governor Arnold Schwarzenegger signed [Assembly Bill x8 6](#), Ch. 11, and [Senate Bill 70](#), Ch. 9. These bills 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. They also mandated the BOE to adjust the excise tax rate by March 1 of each year in order to ensure revenue neutrality.

"The legislature mandated that we equalize the sales and excise taxes to avoid a net increase in taxes," said Chairman Jerome E. Horton. "We could protest the legislation and not make the rate adjustment, however we would be violating law and arguably exposing taxpayers to even higher taxes in the future."

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization 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.

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