



State Board of Equalization

# News Release

## Chairman Jerome E. Horton

### 4<sup>th</sup> District – Los Angeles

Cynthia Bridges  
Executive Director  
[www.boe.ca.gov](http://www.boe.ca.gov)

**For Immediate Release**  
**February 24, 2014**

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### **BOE to Consider Adjusting Gasoline Excise Tax Downward by \$0.035**

**Sacramento** – The California State Board of Equalization (BOE) will vote on a staff proposal to adjust the Fiscal Year 2014-15 excise tax rate on gasoline downward by \$0.035 during its scheduled monthly meeting on February 25, 2014 at 5901 Green Valley Circle in Culver City. This item is expected to be among the first discussed.

"This reduction in the excise tax of 0.035 will guarantee that the total taxes collected do not exceed the amount authorized by the legislature," Chairman Horton said. "Historical data indicates that this legislation requiring the adjustment does not have an impact on overall gas prices. However, it would be nice if this decrease in excise tax would result in a corresponding decrease in gas prices."

State law mandates that the Board set the excise tax rates for gasoline before March 1 of each year. If the Board adopts the staff recommendation, the new excise tax rate of \$0.36 will take effect on July 1, 2014 and remain at that rate until June 30, 2015. Motorists currently pay \$0.395 in excise tax for each gallon of gasoline they purchase.

Laws enacted in 2010 known as the "fuel tax swap" require revenue neutrality, meaning motorists pay no more or less state tax on gasoline purchases than they would have prior to the swap. The new laws lowered the sales tax on gasoline to 2.25 percent and raised the excise tax by an amount projected to equal the sales tax that otherwise would have been collected under the old tax structure.

Every year, the BOE sets the rate based on the projected price and number of gallons drivers will purchase in the upcoming fiscal year. The upcoming annual rate also accounts for the difference in the actual and estimated sales tax revenue in the prior fiscal year that would have been collected under the former tax system.

\* \* \* \* \*

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.

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The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects \$56 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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