



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: NR: 28-Y
Anita Gore
916-327-8988

BETTY T. YEE SAYS LATEST GASOLINE USE FIGURES ARE DOWN

Price Increases Continue to Boost Sales Taxes Collected at the Pump

Heading into Memorial Day weekend, with what's predicted to include some of the heaviest driving of the year, Board of Equalization Chairwoman Betty T. Yee released new figures showing lower gasoline consumption in California.

In February 2007, Californians consumed 1.2 billion gallons of gasoline, about 31.6 million gallons or 2.5% less than February of last year. This is the second indication of lower consumption the Board has seen recently. Last month, the Board released figures showing a three consecutive quarter drop in 2006, the first such trend in over 14 years. With the exception of a reported increase in consumption for January 2007, this figure appears to continue the downward trend.

"This could be another sign that Californians are rethinking their fuel use," said Yee.

February's average pump price was \$2.71, a 17-cent jump from February of last year. In terms of sales tax, the higher average price generated about \$239 million in February 2007, an estimated \$9 million more than in February 2006.

The Board estimates that nearly twice as much sales tax is generated annually by higher gasoline prices than five years ago. In 2006, sales tax revenues from gasoline sales were estimated to be \$3.2 billion, while 2002's gasoline sales generated \$1.7 billion. The State's excise tax, 18 cents collected on every gallon, has remained relatively stable.

The publicly-elected Board is able to monitor gallons through tax receipts paid by fuel distributors. The complete first quarter figures for 2007 will be available near the end of June.

All monthly, quarterly and annual figures can be viewed at
<http://www.boe.ca.gov/sptaxprog/reports/imvf10ynet.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 Board collects nearly \$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 plays a significant role in the assessment and administration of property taxes.

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