



# NEWS RELEASE

**STATE BOARD  
OF EQUALIZATION**

450 N Street  
Sacramento  
California 95814

**JOHN CHIANG**  
Chairman, BOE

**RAMON J. HIRSIG**  
Executive Director

**FOR IMMEDIATE RELEASE**

NR# 59-C

Date: September 2, 2005

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**CHIANG ANNOUNCES FUEL TAX RELIEF  
IN WAKE OF HURRICANE KATRINA**

John Chiang, Chairman of the California State Board of Equalization (BOE), in response to shortages of clear diesel fuel caused in part by Hurricane Katrina, announced that the BOE will not impose a tax penalty when dyed diesel fuel is sold for use or used on the highway. This relief applies immediately, and will remain in effect through September 15, 2005.

“In a time when people are suffering through the consequences of Hurricane Katrina, this is one way the BOE can offer some assistance by increasing the diesel fuel supply for use on California’s highways,” said Chiang.

This penalty relief is available to any person that sells or uses dyed diesel fuel for highway use. The relief is available only if the operator or the person selling the fuel pays the state diesel fuel excise tax of 18 cents per gallon.

The Internal Revenue Service (IRS) has adopted the same period for relief from federal penalties imposed on the sale or use of dyed diesel fuel on the highway. For more information on the IRS relief policy see <http://www.irs.gov/newsroom/article/0,,id=147221,00.html>

Ordinarily, dyed diesel fuel is not taxed, because it is sold for uses exempt from excise tax, such as farming purposes, construction activities, and for or others who use the fuel off-highway.

If you have questions about this notice, or require assistance in remitting the excise tax on dyed diesel fuel, please call the Fuel Taxes Division at 916-322-9669 or toll-free at 800-400-7115 (follow the prompts to fuel taxes). Staff is available to help you weekdays from 8 a.m. to 5 p.m., except state holidays.

Chairman John Chiang, of Los Angeles, was elected to his first term as Fourth District Member on the State Board of Equalization in 1998, and re-elected in 2002. He was named Chair of the Board in December 2004. He also presided as Chair in 2002.

The five-member Board of Equalization is a publicly elected tax board. The Board collects more than \$44 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.

Other Board Members include Betty T. Yee of San Francisco, Acting Member, First District; Bill Leonard of Sacramento/Ontario, Second District; Claude Parrish of Long Beach, Third District; and State Controller Steve Westly.