



State Board of Equalization

# News Release

**Chairwoman Betty T. Yee**

**1<sup>st</sup> District – San Francisco**

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**For Immediate Release  
October 9, 2007**

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## **BETTY T. YEE SAYS GASOLINE USE DOWN FOR BOTH THE MONTH OF JUNE AND SECOND QUARTER OF 2007**

*Price Increases Likely Contributor to Continued Declines in Consumption*

Betty T. Yee, Chairwoman of the Board of Equalization, today released gasoline consumption figures for June and complete figures for the second quarter of 2007. Californians used 1.6 percent less gasoline in June than the same period last year. The decline of 0.6 percent during the second quarter marks the fifth consecutive three-month period to show less gas consumption. (*Editor's note – see chart on second page*).

“Californians still use a lot of gasoline, but this drop in consumption certainly points to a continuing downward trend,” said Chairwoman Betty T. Yee.

In the second quarter of 2007, Californians used 22.1 million gallons less than they did in the same period last year. June figures declined by 1.6 percent from the same period a year ago, and show a 2.7 percent decrease from May 2007.

Over the past five years, Californians have used an average of about 15.8 billion gallons of gasoline annually. During the 2006 calendar year Californians consumed 15.83 billion gallons, down from 15.94 billion a year earlier.

The second quarter of 2007's average pump price of \$3.384 was 21 cents above prices during the second quarter of 2006. Those higher prices generated approximately \$982.5 million in sales tax during that quarter, an estimated \$57 million more than the second quarter of 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 \$3.3 billion, while 2002's gasoline sales generated \$1.7 billion. The State's excise tax revenues, 18 cents collected on every gallon, have remained relatively stable.

“While we have seen an increase in gasoline sales tax revenues, it's likely the gain has been offset at least in part because people have less discretionary income to spend on other taxable items,” Yee also said.

The publicly-elected Board is able to monitor gallons through tax receipts paid by fuel distributors. 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 five-member Board of Equalization is a publicly elected tax board. 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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Number of gallons of gasoline consumed: In the second quarter of 2007, Californians used 22.1 million fewer gallons than they did in the second quarter of 2006.

