



Special Notice

STATE BOARD
OF EQUALIZATION

New Tax Rates on Diesel Fuel Effective July 1, 2012

450 N STREET
SACRAMENTO, CA 95814

Summary of rate changes for diesel fuel Effective July 1, 2012.

DIESEL	CURRENT RATES	RATES EFFECTIVE July 1, 2012
Prepaid Sales Tax	26.5 cents (.265) per gallon	29.0 cents (.29) per gallon
Excise Tax	13.0 cents (.13) per gallon	10.0 cents (.10) per gallon
Sales and Use Tax	9.12% plus applicable district taxes	9.42% plus applicable district taxes

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BOE WEBSITE AND
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INFORMATION
www.boe.ca.gov

TAXPAYER INFORMATION
SECTION
800-400-7115
TTY:711

Diesel Tax Rates

Effective July 1, 2012, the state sales and use tax rate and excise tax rate on retail sales and purchases of diesel fuel will change as provided for by sections 6051.8 and 6201.8 of the Revenue and Taxation Code (R&TC) and section 60050 of the Diesel Fuel Tax Law. The excise tax will decrease to 10 cents (\$0.10) per gallon and the sales and use tax rate for retail sales of diesel fuel will increase to 9.42 percent, plus any applicable district taxes.

In addition, the sales tax prepayment rate is being readjusted by the Board of Equalization (BOE), as authorized in R&TC section 6480.1. An increase in the sales tax rate for diesel fuel creates an increase in the sales tax prepayment rate to 29 cents (\$0.29) per gallon, effective July 1, 2012. The prepayment for each gallon of motor vehicle fuel, aircraft jet fuel, and diesel fuel is based upon 80 percent of the combined state and local sales tax rate on the average selling price of the fuel, excluding sales tax, as determined by industry publications.

If you sell diesel fuel, you will be affected by these tax rate changes. You must use the proper tax rate for sales of diesel fuel when establishing tax included selling prices and reporting the tax due.

Please remember: When reporting diesel fuel transactions under Additional State Tax on Diesel Sales on your sales and use tax return (BOE-401-GS), do not report red-dyed diesel, as red-dyed diesel fuel is exempt from the additional state tax.

For More Information

If you have questions regarding the changing rates on diesel fuel, please visit the BOE website at www.boe.ca.gov/sutax/gasswapfaq.htm or call our Taxpayer Information Section at 800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

