



Special Notice

STATE BOARD
OF EQUALIZATION

Prepayment of Sales Tax on Fuels

450 N STREET
SACRAMENTO, CA 95814

Prepayment Sales Tax Rates Remain the Same Through June 30, 2013

The prepayment rates for fuels (per gallon) are as follows:

Type of Fuel	Current Rates Continue to be Effective Through June 30, 2013
Motor Vehicle fuel (gasoline)	7.0 cents (.07)
Aircraft jet fuel	18.0 cents (.18)
Diesel fuel	29.0 cents (.29)

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BOE WEBSITE AND
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INFORMATION
www.boe.ca.gov

TAXPAYER INFORMATION
SECTION
1-800-400-7115
TTY:711

Changes to the prepayment rate effective dates

Revenue and Taxation Code section 6480.1 was amended to adjust the effective dates for the sales tax prepayment rates on fuels. The prepayment tax rates for motor vehicle fuel, diesel fuel, and aircraft jet fuel will now take effect on July 1 of each year, which coincides with the date that any excise tax and sales tax rate adjustments take effect for motor vehicle fuel and diesel fuel. Prior to this change, the prepayment tax rate adjustment took effect on April 1, and the excise tax and sales tax rate adjustments took effect on July 1. This will make it easier for fuel retailers and distributors to adjust all their rates at the same time.

When will the rates for July 1, 2013 be established?

By March 1, 2013, the Board of Equalization (BOE) will establish the prepayment rates effective July 1, 2013 through June 30, 2014.

By March 1 of each year, the BOE is required to establish the sales tax prepayment rates for the fuels indicated above. The prepayment rates are effective from July 1 through June 30 of the following year. However, rates may be adjusted if the price of these fuels increases or decreases, resulting in prepayments that consistently exceed, or are significantly lower than the fuel retailer's sales tax liability.

How are the prepayment rates determined?

The prepayment for each gallon of motor vehicle fuel, aircraft jet fuel, and diesel fuel is calculated at 80 percent of the combined state and local sales tax on the average selling price of the fuel, excluding sales tax, as reported by industry publications.

For more information

If you have additional questions about the sales tax prepayment rates, you may call our Taxpayer Information Section at 1-800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m., Pacific time, except state holidays.

