



Special Notice

CALIFORNIA STATE BOARD
OF EQUALIZATION
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BOE WEBSITE AND
BOARD MEMBER CONTACT
INFORMATION
www.boe.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

TTY
711

Tax Rates for Motor Vehicle and Diesel Fuels

Rates in Effect from July 1, 2017 through October 31, 2017

Sales and Use Tax Rates		
Type of Fuel	Prepayment Per Gallon	Sales and Use Tax Rates*
Gasoline (motor vehicle fuel)	5 cents (\$0.05)	2.25%
Aircraft jet fuel	8.5 cents (\$0.085)	7.25%
Diesel fuel	18 cents (\$0.18)	9.00% ¹
Aviation gasoline	Not Applicable	Not Applicable

*You must add district taxes where applicable. District tax rates for your area are available on the California State Board of Equalization (BOE) website at www.boe.ca.gov/pdf/boe105.pdf.

¹The sales tax rate on diesel fuel will increase on November 1, 2017.

Excise Tax Rates Per Gallon		
Type of Fuel	Through June 30, 2017	Effective July 1, 2017
Gasoline (motor vehicle fuel)	27.8 cents (\$0.278)	29.7 cents (\$0.297)²
Aircraft jet fuel ³	2 cents (\$0.02)	2 cents (\$0.02)
Diesel fuel	16 cents (\$0.16)	16 cents (\$0.16) ²
Aviation gasoline ³	18 cents (\$0.18)	18 cents (\$0.18)

²The excise tax rates on gasoline and diesel fuel will increase again on November 1, 2017.

³Excise taxes on aircraft jet fuel and aviation gasoline are not subject to an annual adjustment.

When are the rates established?

By March 1 of each year, the BOE is required to establish the sales tax prepayment and excise tax rates on fuels that will be in effect from July 1 through June 30 of the following year.

How are the sales tax prepayment rates determined?

The prepayment rate for each gallon of gasoline, 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. The BOE may adjust these rates during the year if changes in fuel prices cause fuel retailers to prepay too much or too little tax. The BOE will notify you by Special Notice if this occurs.

Why are the excise tax rates adjusted?

State laws enacted in 2010 created a new tax structure for gasoline and diesel fuels. These laws require the BOE to adjust the excise tax rates by March 1 of each year so that the overall state taxes consumers pay for a gallon of fuel remain the same as they would have paid under the prior tax structure.

Fuel tax rates will increase on November 1, 2017

Senate Bill 1 was signed into law on April 28, 2017. As a result, the excise tax rates for gasoline and diesel fuel, and the sales tax rate for diesel fuel, will increase on November 1, 2017. In a future notice, the BOE will provide information regarding the new tax rates, as well as the related storage taxes on tax-paid gasoline and diesel fuel in inventory on November 1, 2017.

For more information

If you have additional questions regarding this notice, you may call the BOE Customer Service Center 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. For additional resources, please see the [Tax Guide for Gas Station Operators](#) located in the [Industry Guides](#) section on the BOE website at www.boe.ca.gov. You may also view current and previous rates at www.boe.ca.gov/sutax/prepayrates.htm.