

CALIFORNIA'S GAS USE RISES 0.6%; DIESEL DECLINES 7%

Betty T. Yee, Chairwoman of the Board of Equalization (BOE), recently announced that California gasoline consumption rose in May, while diesel fuel continued to decline. "We're in an uncertain time," said Chairwoman Yee. "While more fuel efficient cars and trucks are increasing fuel economy – and in light of some of the recently improved economic statistics – consumers remain cautious in their spending as the economy continues toward an uncertain recovery."

Figures released show that gasoline consumption rose by 3.5 percent from April, and was 0.6 percent higher than a year ago. Diesel consumption declined by 4.8 percent from April, and was 7.0 percent lower than a year ago. May 2009 gasoline sold for use on California roads totaled 1.29 billion gallons of gasoline, which was 0.6 percent above that of May 2008, when Californians consumed a total of 1.28 billion gallons of gasoline.

A month-to-month comparison shows that gasoline consumption rose 3.5 percent in May when Californians consumed a total of 1.29 billion gallons of gasoline, compared with 1.25 billion gallons in April. Historically, May shows an increase over April, in part because of the Memorial Day holiday, which traditionally is the start of the summer when people travel more and consume more fuel.

The average California gasoline price at the pump in May was \$2.53 per gallon, a 37.1 percent decline from the average price the same month last year when it was \$4.02. Gasoline sold at the lower price in May generated approximately \$241 million in sales tax during that month, an estimated \$139 million less than was generated last year.

May 2009 diesel fuel sold for use on California roads totaled 209 million gallons of diesel, which is a 7.0 percent decline, or 15.8 million gallons less than May 2008, when Californians consumed a total of 225 million gallons of diesel. A month-to-month comparison shows that diesel consumption declined 4.8 percent in May when Californians consumed a total of 209 million gallons of diesel, compared with 220 million gallons in April.

California diesel prices were \$2.35 per gallon in May down 49.6 percent compared to last year, when the average diesel price was \$4.67 per gallon. The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for June 2009 are scheduled to be available at the end of September 2009. All monthly, quarterly, and annual figures can be viewed on the BOE website at: www.boe.ca.gov/sptaxprog/spftrpts.htm.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$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 serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

Source: California State Board of Equalization