



# Status of Fuel Taxes in California

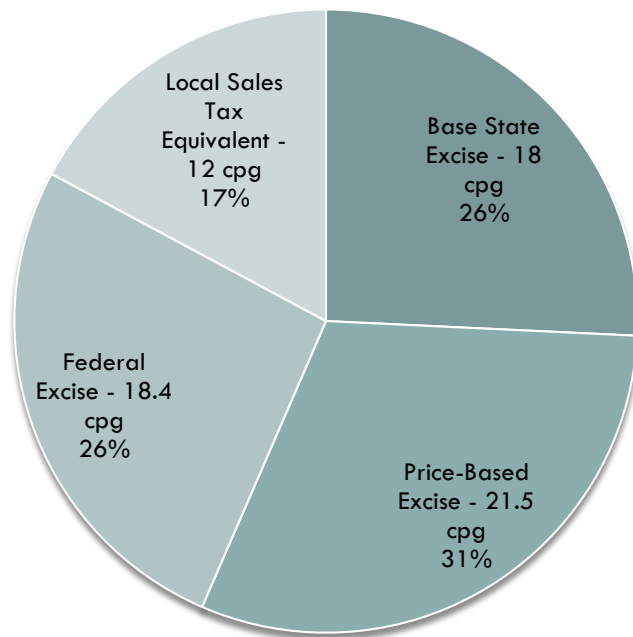
Presented to the  
California Transportation Commission

# Base Excise Tax Facts

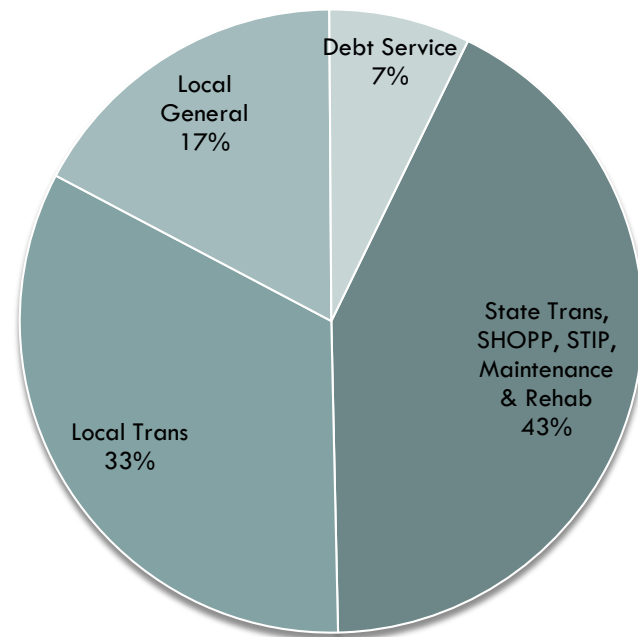
YEAR	EVENT	GAS TAX RATE
1923	First gas tax approved by voters.	2¢/gal
1927	1¢ tax added for new highway construction.	3¢/gal
1947	Collier-Burns Act – gas tax increased 1.5¢.	4.5¢/gal
1953	Gas tax increased by 1.5¢ to fund highway improvements.	6¢/gal
1963	The legislature increased gas tax by 1¢.	7¢/gal
1983	Gas tax increased by 2¢ for the first time in 20 years.	9¢/gal
1990	Proposition 111 passed. The gas tax increased to 14¢ with a yearly increase of 1¢ per year for four more years.	14¢/gal
1991	Gas tax increased by 1¢ per Proposition 111.	15¢/gal
1992	Gas tax increased by 1¢ per Proposition 111.	16¢/gal
1993	Gas tax increased by 1¢ per Proposition 111.	17¢/gal
1994	The last time the gas tax was increased.	18¢/gal

# Sources and Uses of Fuel Taxes on Gasoline in California

**Components of Tax on Gasoline**  
Up to 69.9 cpg



**Uses of Tax Collected on Gasoline**  
Up to 69.9 cpg



Notes:  
Assumes 3.5 cpg increase in price-based tax, per BOE, July 1, 2013  
Assumes average 3% local sales tax rate

# Average Annual Cost of Select Items



**Cable**  
**\$1,032**



**Cell Phone**  
**\$852**



**Coffee Habit**  
**\$780**

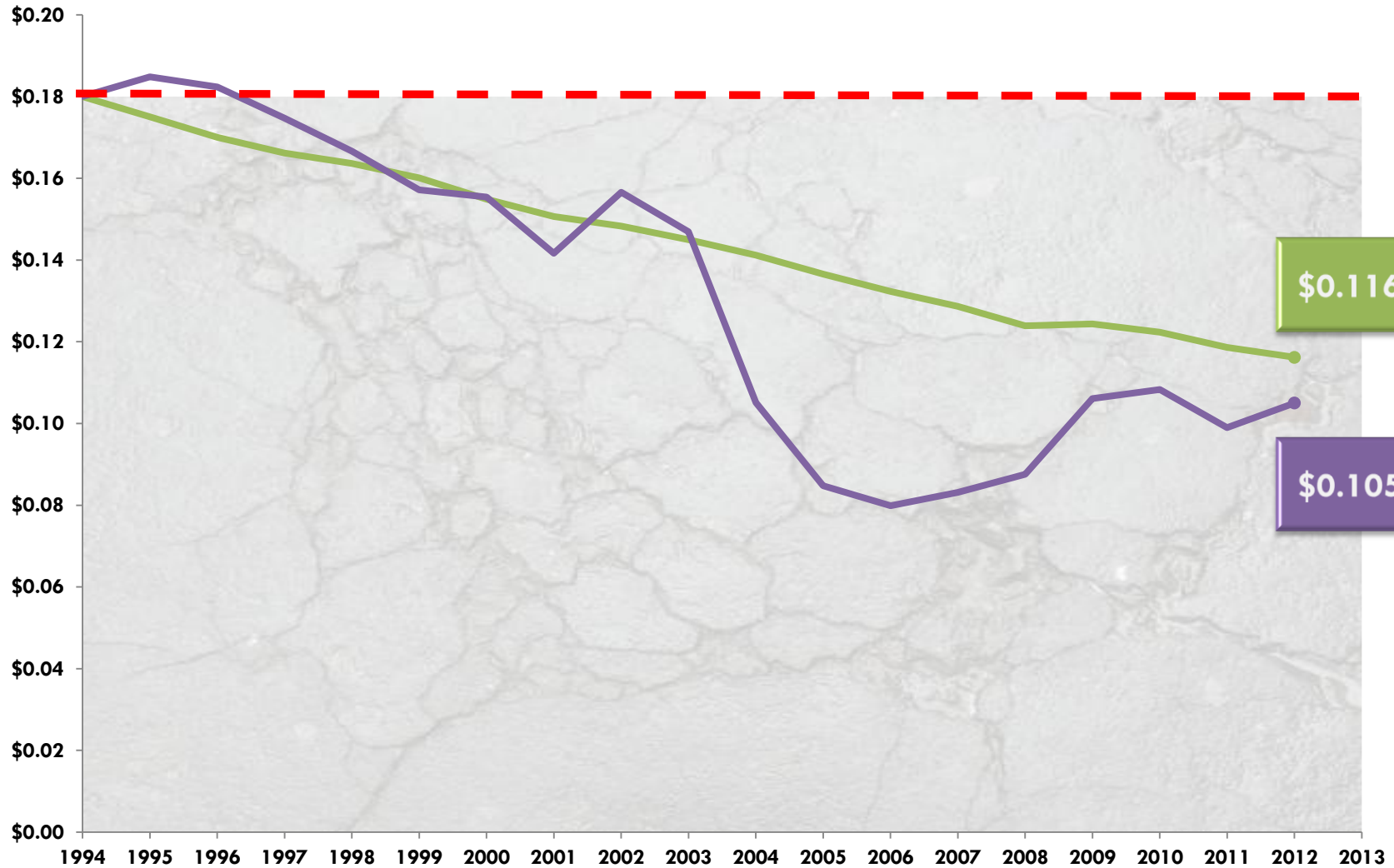


**Internet**  
**\$540**

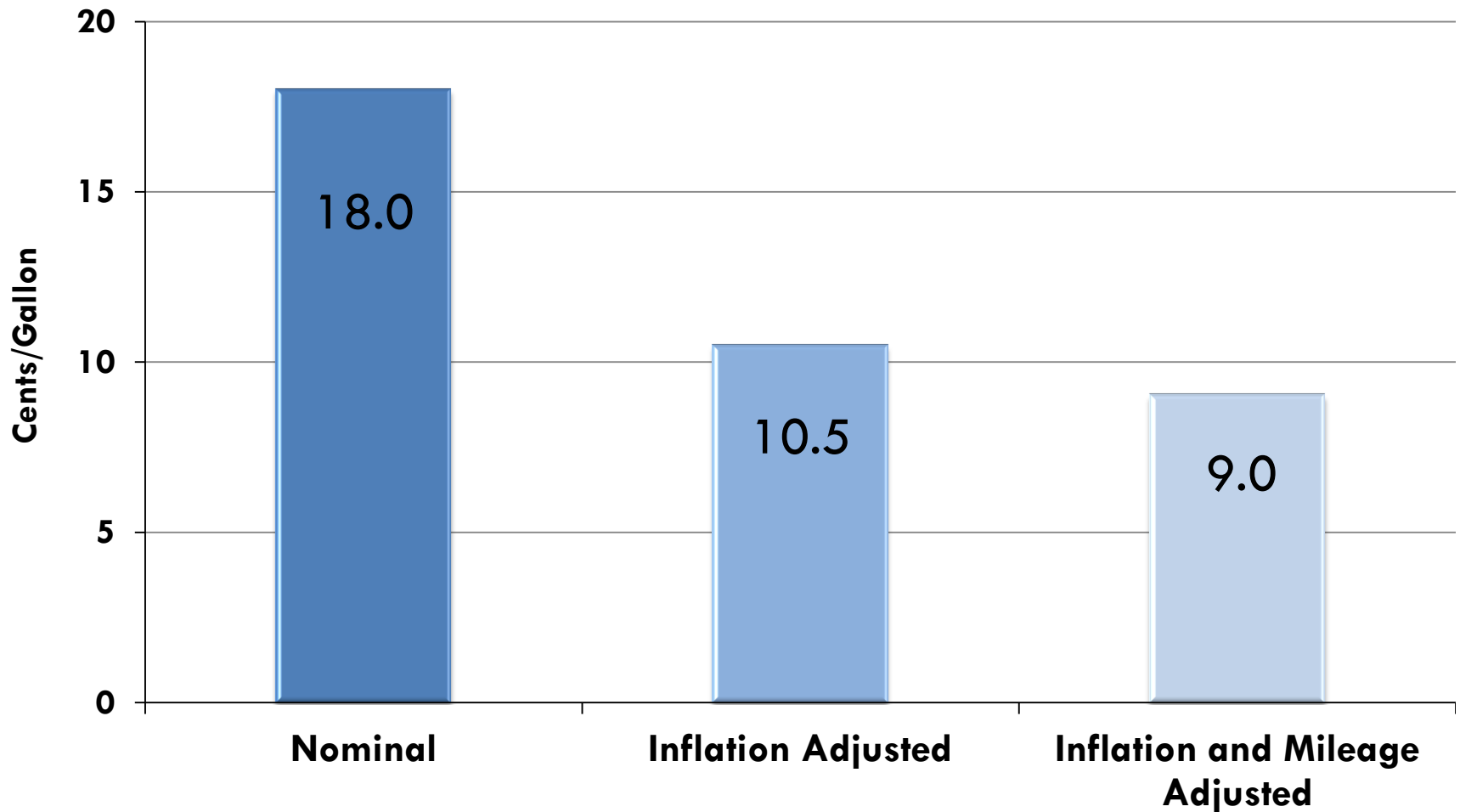


**Gas Taxes**  
**\$368**

# 20-Year History of Base Excise Tax (Inflation Adjusted)



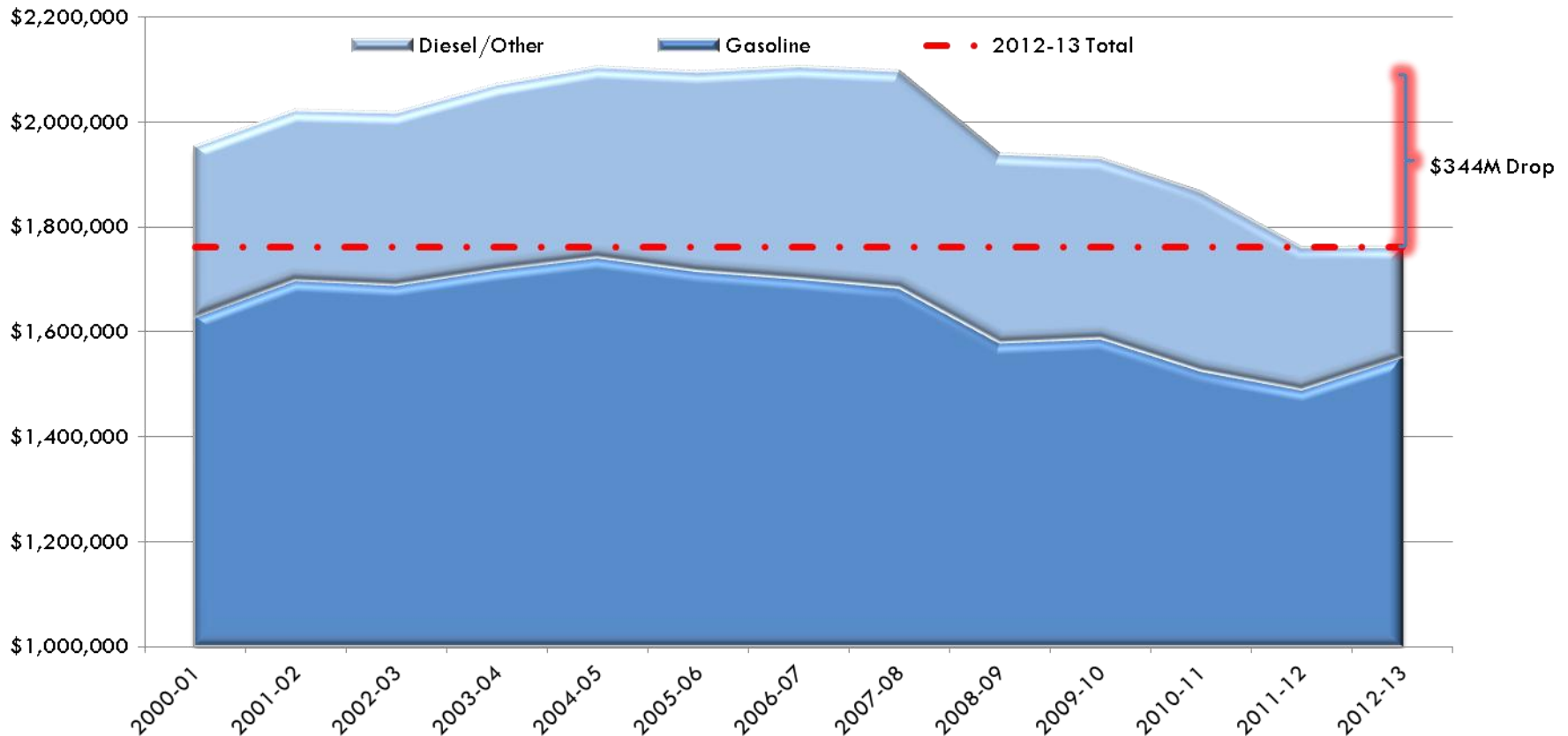
# What is the 18-cent Gas Tax Worth Today?



# Annual Base Excise Tax Revenues

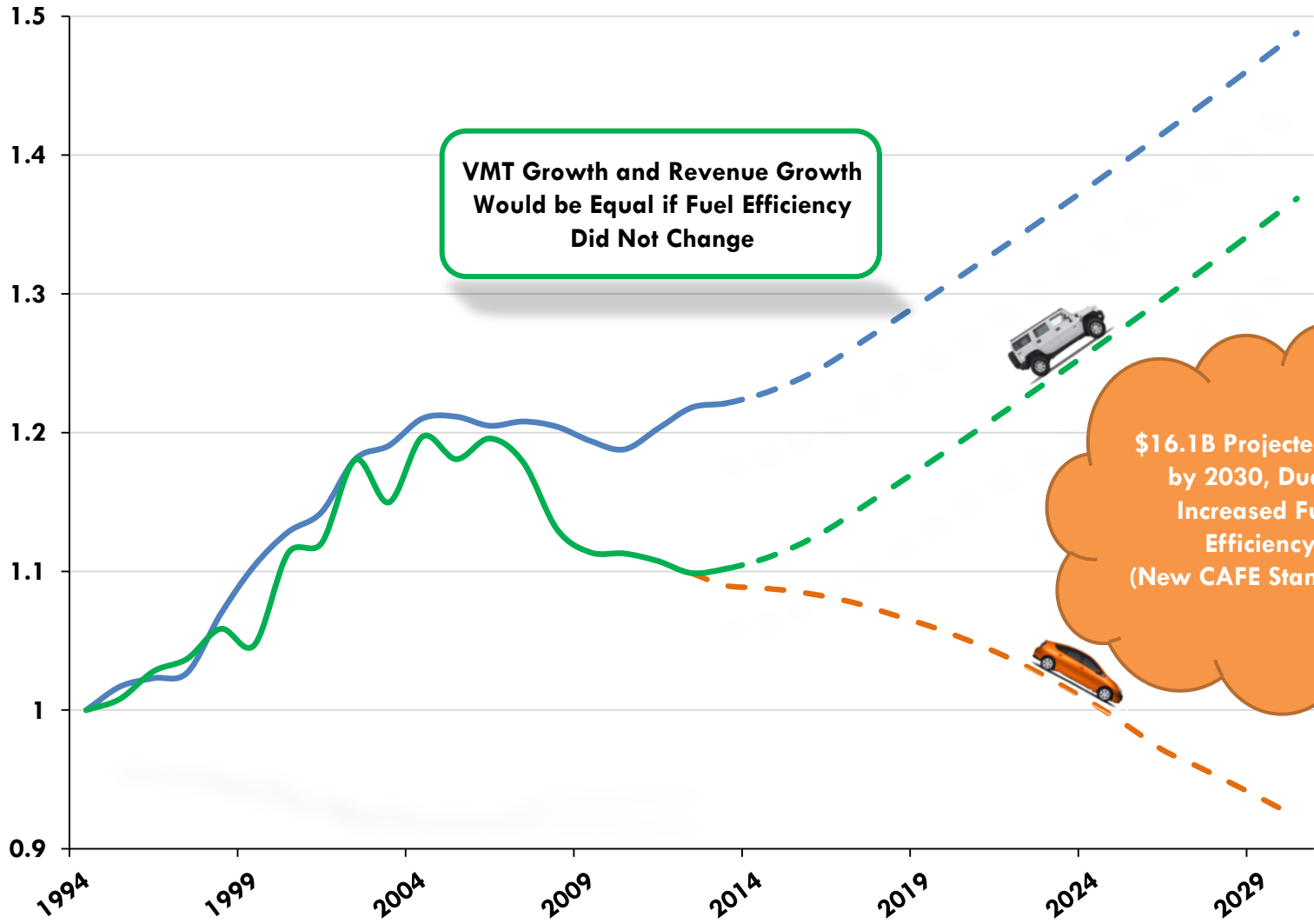
## \$344 Million Below Peak in 2006-07

**Base Fuel Excise Tax History – Deposits to State Highway Account**  
(Dollars in Thousands)



- From peak in 2006-07, Fuel Tax revenues have declined to levels not seen since 1996-97.
- The most drastic drop can be seen in 2008-09, concurrent with the beginning of the current economic crisis.
- Air Quality / CAFE standards will continue to exert downward pressure on fuel consumption.

# Effect of Fuel Economy



VMT Growth and Revenue Growth  
Would be Equal if Fuel Efficiency  
Did Not Change

\$16.1B Projected Loss  
by 2030, Due to  
Increased Fuel  
Efficiency  
(New CAFE Standards)



# Conclusion

