

# Fuel Tax Swap

Department of Finance  
Financial Research  
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# Objective

To explain the Department of Finance's responsibilities and our role in the Fuel Tax Swap calculation

# DOF Responsibilities

Primary unit responsibility is to forecast General Fund revenue for development of the Governor's proposed state budget.

Other forecasted revenues for the budget include fuel excise tax revenue and diesel sales and use tax revenue.

# BOE Fuel Tax Swap Data

The Board of Equalization provide actuals for:

- Gasoline fuel consumption and price data
- Diesel fuel consumption, diesel sales and use tax exemptions, and price data

# Gasoline Tax Swap Components

|                               | 2010-11      | 2011-12      | 2012-13      | 2013-14      |
|-------------------------------|--------------|--------------|--------------|--------------|
| Eliminated Sales Tax Revenue  |              |              |              |              |
| Gallons Consumed              | 14,700       | 14,417       | 14,337       | 14,247       |
| Average Price                 | 2.83         | 3.51         | 3.70         | 3.56         |
| Sales Tax Rate                | 6%           | 5% - 6%      | 5%           | 5%           |
| <b>Revenue Eliminated</b>     | <b>2,498</b> | <b>2,783</b> | <b>2,652</b> | <b>2,538</b> |
| New Excise Tax on Gasoline    |              |              |              |              |
| Gallons Consumed              | 14,766       | 14,597       | 14,489       | 14,392       |
| New Excise Tax Rate           | 0.173        | 0.177        | 0.18         | 0.215        |
| <b>Total Revenue Increase</b> | <b>2,555</b> | <b>2,584</b> | <b>2,608</b> | <b>3,094</b> |
| Difference                    | 56           | (200)        | (44)         | 556          |

# DOF Fuel Price Forecast

- Actual data, U.S. Energy Information Administration
- IHS-Global Insight provide US Consumer Gas Price Forecast
- DOF Economic Research Unit develops CA Fuel CPI

QUESTIONS?