



SPECIAL NOTICE

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
450 N Street
Sacramento, CA 95814

GAVIN NEWSOM
Governor

AMY TONG
Secretary
Government Operations Agency

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115
CRS
711

Sales and Use Tax Rates for Diesel Fuel Changes October 1, 2022

Starting October 1, 2022, through September 30, 2023, [Assembly Bill 194](#) (Stats. 2022, ch. 55) added a temporary partial sales and use tax exemption (3.9375%) on the sale, storage, use, or other consumption of diesel fuel. The prepayment rate for diesel fuel for the period October 1, 2022, through June 30, 2023, is also being revised to reflect the new sales and use tax rate. The new rates are as follows:

Sales and Use Tax Rates				
Type of Fuel	Prepayment per Gallon		Sales and Use Tax Rate*	
	July 1, 2022, through September 30, 2022	October 1, 2022, through June 30, 2023	Current through September 30, 2022	October 1, 2022, through September 30, 2023
Diesel fuel	47 cents (\$0.470)	33 cents (\$0.330)	13.00%	9.0625%

* You must add district taxes where applicable. District taxes continue to apply to sales and purchases of diesel fuel and are not included in the AB 194 partial sales and use tax exemption. District tax rates for your area are available on our website at www.cdtfa.ca.gov/formspubs/cdtfa105.pdf.

The following rates, effective July 1, 2022, through June 30, 2023, remain unchanged:

Sales and Use Tax Rates		
Type of Fuel	Prepayment per Gallon	Sales and Use Tax Rates*
Gasoline (motor vehicle fuel)	9 cents (\$0.090)	2.25%
Aircraft jet fuel	18 cents (\$0.180)	7.25%
Aviation gasoline	Not applicable	Not applicable

* You must add district taxes where applicable. District tax rates for your area are available on our website at www.cdtfa.ca.gov/formspubs/cdtfa105.pdf.

Excise Tax Rates per Gallon	
Type of Fuel	Effective July 1, 2022
Gasoline (motor vehicle fuel)	53.9 cents (\$0.539)
Aircraft jet fuel ¹	2 cents (\$0.02)
Diesel fuel	41.0 cents (\$0.410)
Aviation gasoline ¹	18 cents (\$0.18)

¹Excise taxes on aircraft jet fuel and aviation gasoline are not subject to an annual adjustment.

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. We are required to establish the sales tax prepayment rates by March 1 of each year. The sales tax prepayment rate for diesel fuel is being updated effective October 1, 2022, to reflect the new partial exemption. We may continue to adjust these rates during the year if changes in fuel prices cause fuel retailers to prepay too much or too little tax.

How are the excise tax rates determined?

We are required to adjust the motor vehicle fuel and diesel fuel excise tax rates annually on July 1 of each year, by the percentage change in the California Consumer Price Index, as calculated by the Department of Finance.

Are any other fuel rates changing?

No. Although there is a sales and use tax partial exemption on diesel fuel for the period October 1, 2022, through September 30, 2023, the previous sales and use tax rates for gasoline, aircraft jet fuel, and aviation gasoline remain in effect. The excise tax rates for all motor vehicle and diesel fuels also continue to be in effect.

For more information

If you have questions regarding this notice, you may visit our website at www.cdtfa.ca.gov, or call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

For additional information about fuel taxes, please see our *Tax Guide for Gas Station Operators* at www.cdtfa.ca.gov/industry/gas-stations.htm. You may also view current and previous prepayment rates at *Sales Tax Prepayment Rates for Fuels* at www.cdtfa.ca.gov/taxes-and-fees/prepayment-rates-fuels.htm.