



TAX INFORMATION BULLETIN

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Sales Tax Prepayments and Excise Taxes on Fuel

By March 1 of each year, we are required to establish the sales tax prepayment rates on fuels that will be in effect from July 1 through June 30 of the following fiscal year. The rates vary depending on the type of fuel involved and may be adjusted during the year, if necessary.

In addition to the sales tax prepayment rates on fuel, we are required to adjust the Motor Vehicle Fuel and Diesel Fuel excise tax rates every July 1 by the percentage change in the California Consumer Price Index, as calculated by the California Department of Finance. The excise tax on aircraft jet fuel is not subject to an annual adjustment.

Sales Tax Prepayment Rates—Effective July 1, 2025, through June 30, 2026

The sales tax prepayment rates for motor vehicle fuel, diesel fuel, and jet fuel are as follows:

Fuel Type	Current Rate Per Gallon	Rate Per Gallon July 1, 2025
Motor Vehicle Fuel	\$0.080	\$0.075
Diesel Fuel	\$0.445	\$0.385
Jet Fuel	\$0.150	\$0.125

Excise Tax Rate—Effective July 1, 2025, through June 30, 2026

The excise tax rates for motor vehicle fuel, diesel fuel, jet fuel, and aviation gasoline are as follows:

Fuel Type	Current Rate Per Gallon	Rate Per Gallon July 1, 2025
Motor Vehicle Fuel (Gasoline)	\$0.596	\$0.612
Diesel Fuel	\$0.454	\$0.466
Jet Fuel	\$0.020	\$0.020
Aviation Gasoline	\$0.186	\$0.190

For information concerning tax rates, please visit the [Sales Tax Rates for Fuels](#) table or the [Fuel Taxes](#) section on our [Tax Rates—Special Taxes and Fees](#) webpage.

New Sales and Use Tax Rates Effective July 1, 2025

Starting July 1, 2025, new district tax rate changes may impact you or your business. For details on the new tax rates, see our special notice [New Sales and Use Tax Rates Effective July 1, 2025](#).

DISTRICT TAX RATES CHANGING

City	County	Current Code	New Code	Current Rate	New Rate
City of California City	Kern	N/A	D04	7.250%	8.250%
City of Lemon Grove	San Diego	013	D06	7.750%	8.750%
Town of Colma	San Mateo	942	D08	9.375%	9.875%

CURRENT DISTRICT TAXES EXTENDED

City/County	Code	Tax Rate	Expiration Date
Napa County	631	7.750%	6/30/2055
City of Palm Springs (located in Riverside County)	621	9.250%	NONE

For additional information about these tax rate changes, see our [Explanation of Tax Rate Changes Operative July 1, 2025](#).



Cigarette and Tobacco Products

New Tobacco Products Tax Rate

Effective July 1, 2025, through June 30, 2026, the excise tax rate for tobacco products (products other than cigarettes) will increase to 54.27 percent of the wholesale cost. The tax rate is subject to change annually. For more information, see our special notice [New Tobacco Products Tax Rate Effective July 1, 2025, through June 30, 2026](#).

You can find current and historical tobacco products tax rates on our [Tax Rates—Special Taxes and Fees](#) webpage under the [Cigarette and Tobacco Products Tax](#) section.

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Has Your Cigarette and Tobacco Products Business Information Changed?

We are required to have the most current information about your cigarette and tobacco products business to ensure you receive updates, notices, and due date reminders. You are responsible for informing us about any changes to your business, including any warehouse locations where you store cigarettes and tobacco products. You can update your business information by logging in to our [Online Services](#) when you:

- Change your business or mailing address
- Add or close a business location
- Change your entity type, business, or legal entity name
- Add or remove owners, officers, members, or partners
- Update your email address
- Change your banking information

You may also notify us of any changes to your business by:

- Calling our Customer Service Center at 1-800-400-7115 (TTY:711) and selecting the option for *Special Taxes and Fees*.
- Sending a message from our [General, Non-Confidential Tax Questions Form](#) webpage.
- Mailing a completed [CDTFA-345-SP](#), *Notice of Business Change, Special Taxes and Fees Accounts*.



Oil Spill Prevention and Administration Fee Rate Increase

Effective July 1, 2025, the Oil Spill Prevention and Administration (OSPA) fee will increase from nine and four-tenth cents (\$0.094) per barrel to nine and six-tenth cents (\$0.096) per barrel.

The Department of Fish and Wildlife is responsible for determining the OSPA fee based on changes in the California Consumer Price Index.

For more information, see our special notice [Oil Spill Prevention and Administration Fee: Rate Increase Effective July 1, 2025](#). Current and historical OSPA fee rates are posted on the [Tax Rates—Special Taxes and Fees](#) webpage, in the *Oil Spill Response, Prevention, and Administration Fees* section.



Alcoholic Beverage Tax

Updated Distilled Spirits Tax Return

We updated the *Distilled Spirits Tax Return* beginning with the return for the June 2025 filing period, due July 15, 2025. If you file supplemental schedules with your online *Distilled Spirits Tax Return*, you must round each reported transaction to the nearest one-hundredth of a gallon (for example, round 1.2345 gallons to 1.23 gallons).

For more information regarding your alcoholic beverage tax account, visit our [Tax Guide for Alcoholic Beverage Tax](#).

New Covered Battery-Embedded Waste Recycling Fee Beginning January 1, 2026

In 2022, Senate Bill No. [1215](#) (Stats. 2022, ch. 370) established a new Covered Battery-Embedded (CBE) Waste Recycling Fee, which provides additional funding for the covered electronic waste recycling program.

CalRecycle is required to establish the CBE waste recycling fee rate by October 1, 2025. The CBE waste recycling fee becomes effective on January 1, 2026, and retailers who sell or lease CBE products must register with CDTFA for a CBE waste recycling fee account and report and pay the CBE waste recycling fee to us. Registration will be available at the end of October 2025.

A CBE product is generally a product that contains a battery that is not designed to be easily removed by the user with no more than commonly used household tools. CBE products do not include the following:

- Certain medical devices, as specified in Public Resources Code (PRC) [section 42463\(f\)\(2\)\(A\)](#).
- Covered electronic devices (certain video display devices) are subject to the Covered Electronic Waste Recycling (eWaste) Fee.
- Certain energy storage systems, as specified in PRC [section 42463\(f\)\(2\)\(C\)](#).
- Certain electronic nicotine delivery systems, as specified in PRC [section 42463\(f\)\(2\)\(D\)](#).

Please visit the [CalRecycle](#) website if you would like to learn more about covered battery-embedded products.

For additional information about the CBE waste recycling fee, see our [Covered Battery-Embedded Waste Recycling Fee Guide](#). This guide will be updated as more information becomes available.



New Cannabis Excise Tax Rate Effective July 1, 2025

Effective July 1, 2025, the Cannabis Excise Tax rate will increase from 15 percent to 19 percent of gross receipts from retail sales of cannabis or cannabis products.

For more information on the rate change, see our special notice [New Cannabis Excise Tax Rate Effective July 1, 2025](#). For current and prior cannabis tax rates, see our tax rate page at [Tax Rates—Special Taxes and Fees](#) in the *Cannabis Taxes* section.

Tax Rate Decrease for IFTA and Interstate User Diesel Fuel Tax Licensees

Effective July 1, 2025, through June 30, 2026, the tax rate for diesel fuel will decrease from \$1.023 to \$0.971 per gallon. This is the tax that licensees report and pay with their quarterly IFTA or Interstate User Diesel Fuel Tax return for diesel fuel purchased in California and used both inside and outside of California. The table below shows the new rates effective July 1, 2025, through June 30, 2026:

Rates Effective July 1, 2025, through June 30, 2026	
Diesel Fuel Tax*	46.6 cents (\$0.466)
Excise Tax	50.5 cents (\$0.505)
Total	97.1 cents (\$0.971)

*Diesel Fuel tax rate is adjusted on July 1 of each year.

For more information regarding IFTA, the Interstate User Diesel Fuel Tax, or diesel fuel taxes, see our [International Fuel Tax Agreement \(IFTA\) and Interstate User Diesel Fuel Tax](#) guide.



Taxpayers' Bill of Rights Meeting

The annual Taxpayers' Bill of Rights meeting is an opportunity for the public to provide feedback, make suggestions, or express concerns regarding the administration of the tax and fee programs by CDTFA. The next meeting will be held on August 28, 2025, at 651 Bannon Street, Sacramento, CA 95811. For more information, visit our [Taxpayers' Bill of Rights Meetings](#) webpage.

If you are interested in attending the meeting, would like more information about how to participate, or are unable to attend in person, please call the Taxpayers' Rights Advocate (TRA) Office at 1-888-324-2798 or visit the [Taxpayers' Rights Advocate Office](#) website. If you are unable to attend the meeting, you can submit your suggestions or concerns in writing to the TRA Office via email at taxpayer.rights@cdtfa.ca.gov.



New Video Available: Tax Help for Retailers of Firearm Products

We are excited to share a new video, [Tax Help for Retailers of Firearm Products](#). This video is designed to help firearm retailers better understand how the California Firearms, Firearm Precursor Parts, Ammunition Excise Tax (CFET), and sales tax and use tax apply to their business operations. The video covers key topics including:

- Important definitions related to the firearm industry
- Registration requirements
- A step-by-step tax calculation example
- Common scenarios specific to the firearm industry
- Recordkeeping requirements

More videos and tutorials are available to help you better understand our tax programs and reporting requirements. For more information, visit our [Video Resources and Tutorials](#) webpage.



Franchise Tax Board

Stay Informed with Tax News

[Tax News](#) is the Franchise Tax Board's (FTB) monthly online publication used to provide essential tax reminders and helpful tips to tax professionals and small business owners. [Tax News Flashes](#) are also periodically released to quickly provide urgent time-sensitive information.

Accessing the latest news can help navigate the complexities of today's evolving tax landscape. You can sharpen your knowledge and maintain a competitive edge by staying informed of new tax laws with how-to videos, updated and new processes, and guidance to navigate FTB's website for vital, relevant information.

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Tax Education

Understanding tax requirements can help you stay compliant and avoid common filing errors. Our [Tax Education](#) webpage offers a variety of helpful resources to guide you through the process. Whether you're a new business owner or an experienced taxpayer, you'll find valuable information including:

- Free webinars and workshops
- Self-paced instruction videos (many videos are available in Spanish)
- Printable publications, guides, and more

Take advantage of these tools to stay informed and confidently manage your tax obligations.