



SPECIAL NOTICE

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

GAVIN NEWSOM
Governor

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

CRS:
711

Retail Purchases of Untaxed Motor Fuel for Use on California Highways – Tax is Due

If you purchase untaxed diesel or motor vehicle fuel (fuel) and place it into the fuel tank of a motor vehicle and do not qualify for an exemption, you are responsible for paying the excise tax to the California Department of Tax and Fee Administration (CDTFA).

Generally, the excise taxes on motor fuels are imposed when the fuel is removed from a California terminal rack, or at the time of entry into California, and are paid by the supplier. Typically, the excise taxes and sales taxes are included in the *pump price* per gallon. However, if fuel is sold at a retail location in California without including the excise tax (ex-tax), the tax is imposed upon the sale and delivery of fuel into the fuel tank of a vehicle¹.

How to tell if you purchased untaxed fuel

Gas station operators are required to post at or near the pump or point of sale, a sign listing the state and federal fuel taxes that apply to the sale. If you purchase fuel and the price appears to be much lower than in other areas of the state, be sure to check whether the price includes taxes.

International Fuel Tax Agreement (IFTA) and Diesel Fuel Interstate Users - reporting requirements for ex-tax fuel purchases

IFTA and diesel fuel interstate user licensees are required to report all gallons used to operate their qualified motor vehicles during the reporting period. Diesel fuel purchased without payment of the excise tax must be included in the total gallons being reported. Gallons of diesel fuel purchased during the reporting period without payment of the excise tax *cannot* be reported as tax paid gallons to reduce the net taxable gallons for which tax is due. Improper reporting of ex-tax diesel fuel purchases will result in the disallowance of tax paid gallons and additional tax liability along with penalty and interest, if applicable.

Tax rates

You can find the sales and use tax and fuel tax rates on our website at www.cdtfa.ca.gov/taxes-and-fees/rates.htm.

For more information

You may call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

¹ Diesel Fuel Tax Law, Revenue and Taxation Code (R&TC) section 60058.