



# Special Notice

CALIFORNIA DEPARTMENT  
OF TAX AND FEE  
ADMINISTRATION  
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SACRAMENTO, CA 95814

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Director

CDTFA WEBSITE  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

CUSTOMER SERVICE CENTER  
**1-800-400-7115**

TTY  
**711**

## Fuel Retailers, Wholesalers, and Suppliers Storage Tax Return Requirement

Senate Bill (SB) 1 (Stats. 2017, Ch. 5), increases the tax rates on motor vehicle fuel (MVF), including gasoline, and diesel fuel, effective November 1, 2017. Fuel retailers, wholesalers, and suppliers will need to pay a storage tax on tax-paid MVF and diesel fuel held in inventory for sale on November 1, 2017, at 12:01 a.m.

### Tax rates - motor vehicle fuel, diesel fuel, and sales and use tax

Effective November 1, 2017, the following tax rates increase:

- The excise tax rate for MVF will increase from 29.7 cents (\$0.297) to 41.7 cents (\$0.417) per gallon (an increase of 12 cents (\$0.12) per gallon);
- The excise tax rate for diesel fuel will increase from 16 cents (\$0.16) to 36 cents (\$0.360) per gallon (an increase of 20 cents (\$0.200) per gallon); and
- The statewide sales and use tax rate imposed on retail sales of diesel fuel will increase from 1.75 percent to 5.75 percent (an increase of 4.00 percent).

See our August 2017 Special Notice L-504, "New Tax Rates and Storage Tax Returns for Motor Vehicle and Diesel Fuels," available on our website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov), for more information.

### Storage tax return – retailers, wholesalers, and suppliers

Retailers, wholesalers, and suppliers holding 1,000 or more gallons of tax-paid MVF (excluding aviation fuel) or diesel fuel in inventory for sale, at 12:01 a.m. on November 1, 2017, are responsible for payment of the storage tax.

Your storage tax returns are included with this notice. If you have an accountant of record for your related sales and use tax account, your returns were mailed to your accountant. If you (or your accountant) do not receive a storage tax return by late October 2017, please contact our Customer Service Center at 1-800-400-7115 (TTY:711). Failure to receive a storage tax return does not relieve you of your responsibility to report and pay the storage tax.

*MVF and diesel fuel must be reported on separate returns; therefore, if you sell both MVF and diesel fuel, you should have received two returns. You are required to file the enclosed return and pay the storage tax by January 1, 2018.*

Storage tax account(s) were issued to all entities currently registered as fuel sellers in our sales and use tax program. If you do not sell MVF or diesel fuel, simply check the applicable box on the storage tax return, and return it in the envelope provided by January 1, 2018.

It is important that you have an accurate inventory of MVF and/or diesel fuel you own on 12:01 a.m. on November 1, 2017. This includes all MVF and diesel fuel in transit or storage below the terminal rack for sale as of 12:01 a.m. on November 1, 2017.

### For more information

If you have additional questions regarding this notice, you may call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. You may also view current and previous tax rates on our [website](http://www.cdtfa.ca.gov).

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