

RE: [External] Re: scheduling a call about CA taxes/fees

Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Fri 8/23/2024 2:40 PM
To:Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>

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Hi Esther,

No worry. I am learning this together. Sorry if I confused you. I know I am not good at explaining but I will try my best to help.

It's a weighted calculation. The counties and cities are grouped by their tax rates first to calculate their tax. After all the tax data are ready, they will be added up then apply the calculation for the statewide rate.

Below is an example table. In this example, the special district tax rate = (\$89,775/\$1,130,000) - 7.25% which = 7.94% - 7.25% = 0.69%

Rate Group	Counties	City	Sales	Rate	Tax
10.50%	Los Angeles	Santa Fe Springs	\$ 10,000	0.105	\$ 1,050
	Alameda	Emeryville	\$ 20,000	0.105	\$ 2,100
7.875%	Counties	City	Sales	Rate	Tax
	Stanislaus	Stanislaus (not Ceres or Oakdale) effective	\$ 500,000	0.07875	\$ 39,375
	Mendocino	Mendocino (not Fort Bragg, Point Arena, Willits, Ukiah)	\$ 600,000	0.07875	\$ 47,250
TOTAL			\$1,130,000	7.94%	\$ 89,775

And to clarify for the previous question- How could the average special district tax rates for 2021 onward be 1.3% and above, when there are only a few cities with taxes of 1.5%. For the cities, they also need to pay the county rates. For example, when a transaction happens in Antioch (city), the customer not only needs to pay the City of Antioch Increase Transactions and Use Tax (1%), but also the other 3 rates (1.5%) above in Contra Costa County. Thus, the special district tax rate for Antioch is 2.5% not 1%.

Contra Costa County	Bay Area Rapid Transit District	0.50%	04-01-1970
	Contra Costa Transportation Authority	0.50%	04-01-1989
	County of Contra Costa Transactions and Use Tax	0.50%	04-01-2021
Antioch (City)	City of Antioch Increase Transactions and Use Tax	1.00%	04-01-2019

CONTRA COSTA
COUNTY 8.75%
City of Antioch 9.75%

Another way to look at this is to directly use the [Sales and Use Tax Rates by County and City](#). Just minus the base rate (7.25%) then you will see more than half of the locations have rates over 1.3%.

Below is a quick count. Total 544 location. The average rate is 1.404% and the median is 1.5%.

Special District Tax Rate	Count of Location
0.000%	57
0.125%	2
0.250%	5
0.500%	111
0.625%	7
0.725%	5
0.750%	1
0.875%	2
1.000%	43
1.100%	1
1.125%	6
1.225%	1
1.250%	13
1.375%	3
1.475%	1
1.500%	76
1.625%	4
1.725%	6
1.750%	10
1.875%	13
1.975%	2
2.000%	31
2.125%	14
2.250%	38
2.375%	2
2.500%	10
2.625%	8
2.750%	7
3.000%	57
3.250%	2
3.500%	6

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Wednesday, August 21, 2024 4:18 PM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

Hi Liang,

I'm sorry, these additional pieces of information confused me a bit. Since there are very clear district tax rates (that vary by county & city), why is there a separate calculation used to get the special district tax rate? Is this just to get a good average that is reflective of who is paying these additional taxes? Any additional information about this would be super helpful.

We just want to make sure that if we're adding in this additional special district sales tax into the MGS, that it is a rate that the majority of Californians are actually paying. So I'm trying to get a sense of if the 2023 yearly average of 1.41% is actually paid by a large share of consumers?

Many thanks for all your help!
Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Tuesday, August 20, 2024 11:15 AM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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It's for all products.

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Tuesday, August 20, 2024 11:11 AM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

Hi Liang,

Thanks for the clarification of the calculation. One quick question: is the statewide average rate calculated specifically for gasoline or for all products (meaning are the statewide tax collected & statewide sales numbers aggregate or product specific)?

Thanks,
Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Tuesday, August 20, 2024 10:31 AM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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Hi Esther,

The calculation for Special District Rate = Statewide Average Rate minus Total Statewide Base Sales and Use Tax Rate(7.25%).

X	State Basic	7.25%	Constant
	Local Revenue 2011		
	Local Revenue 1991		
	Public Safety Fund		
	Bradley Burns		
Y	Special District	Statewide Average Rate - 7.25%	Z - X
Z	Statewide Average Rate	Statewide Tax / Statewide Sales	Varies

FYI:

[Detailed Description of the Sales & Use Tax Rate \(ca.gov\)](#)

[History of Statewide Sales and Use Tax Rates \(ca.gov\)](#)

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Monday, August 19, 2024 4:32 PM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

Hi Liang,

Yes this is incredibly helpful! All these resources are great.

From that table, I am now a little bit confused about the earlier numbers you shared with me. How could the average special district tax rates for 2021 onward be 1.3% and above, when there are only a few cities with taxes of 1.5%. My guess is this average is just by a count of the cities/districts and not weighted by population or anything?

Thanks!

Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Friday, August 16, 2024 3:42 PM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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Happy Friday Esther,

Does this help? [CDTFA-823, Active District Tax Rates with operative and Sunset Dates \(ca.gov\)](#).

I am not sure if we have a map for it or not, but I will check around and let you know.

Below are some of the addition info, not necessary about the special district tax but just FYI:

[Tax Guide for Local Jurisdictions and Districts—Overview](#)

[Tax Rates — Special Taxes and Fees — Fuel Taxes \(ca.gov\)](#)

[Sales Tax Prepayment Rates for Fuels \(ca.gov\)](#)

[Regulation 1598 \(ca.gov\)](#)

Have a nice weekend!

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Thursday, August 15, 2024 5:00 PM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

Hi Liang,

Since we're updating our MGS calculation to incorporate this average special district sales tax, we wanted to get a better understanding of where these special districts are (I know they might all have different tax values and you're giving us an average), so that we can understand just how many drivers are indeed paying this additional sales tax. Do you have a map of the special districts (or listing by county?) and a breakdown of those rates by district for the current year (or a recent year)?

Any additional information about these special district taxes would be super helpful!

Thank you,

Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Thursday, August 8, 2024 4:27 PM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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Hi Esther,

Below is the Calendar Year data. Hope this help!

Calendar Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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Special District	0.67%	0.66%	0.65%	0.65%	0.66%	0.68%	0.69%	0.70%	0.71%	0.78%	0.85%	0.86%	0.87%	0.91%	0.92%	0.92%	0.96%	1.17%
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Thanks.

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Tuesday, August 6, 2024 2:19 PM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

Hi Liang,

Oh great, thank you for the update!

Thanks,
Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Tuesday, August 6, 2024 2:10 PM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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Hi Esther,

Just to keep you updated. The person who specialized in the tax rate is back to the office today. I talked to her, and she will work on it.
Thanks.

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Friday, August 2, 2024 9:28 AM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

Wonderful, thanks Liang! I can follow up later next week.

Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Thursday, August 1, 2024 4:06 PM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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Hi Esther,

I only have these 3 FY rates for now. Our tax rate professional is on vacation this week. I will check with her when she's back next week and get you the update asap.
Thanks!

	FY 2020/21	FY 2021/22	FY 2022/23
Special District	1.3008%	1.3157%	1.3407%

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Thursday, August 1, 2024 3:20 PM
To: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: Re: [External] Re: scheduling a call about CA taxes/fees

You don't often get email from esther.shears@energy.ca.gov. [Learn why this is important](#)

Hi Liang,

Do you have any historical data on the special district taxes? I see in the CDTFA-CEC report that the average rate for FY22/23 was 1.34, but do you happen to have the average rate for this tax for the previous years (as far back as 2000 or 2010?).

Thanks,
Esther

From: Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Sent: Thursday, August 1, 2024 2:59 PM
To: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Cc: Johnsen, Reid <Reid.Johnsen@cdtfa.ca.gov>; Droboniku, Gentian <Gentian.Droboniku@cdtfa.ca.gov>; Mason, Jamie <Jamie.Mason@cdtfa.ca.gov>
Subject: RE: [External] Re: scheduling a call about CA taxes/fees

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Hi Esther,

Oops! Sorry, I sent our file to another Ester 😊

Happy to meet with you and learn together! Let us know if there's any other things we can help.
Thanks.

From: Shears, Esther@Energy <Esther.Shears@Energy.ca.gov>
Sent: Thursday, August 1, 2024 2:17 PM
To: Droboniku, Gentian <Gentian.Droboniku@cdtfa.ca.gov>; Mason, Jamie <Jamie.Mason@cdtfa.ca.gov>

Cc: Johnsen, Reid <Reid.Johnsen@cdtfa.ca.gov>; Ma, Liang <Liang.Ma@cdtfa.ca.gov>
Subject: [External] Re: scheduling a call about CA taxes/fees

Thanks again for taking the time earlier today to chat gas taxes - it was really helpful for me to get the language right so that I can follow up with Severin about the math. If it's not too difficult to pull together, I'd love a spreadsheet that summarizes the CA gas excise tax & gas sales tax rates from 2000-2010.

Many thanks!

Esther

From: Shears, Esther@Energy
Sent: Tuesday, July 30, 2024 5:06 PM
To: Droboniku, Gentian <Gentian.Droboniku@cdtfa.ca.gov>; Mason, Jamie <Jamie.Mason@cdtfa.ca.gov>
Subject: scheduling a call about CA taxes/fees

Hi Gentian & Jamie,

I'm writing to schedule a follow-up call on CA (gas) taxes & fees based on our conversations at the MGS meeting last week. The purpose is mostly to make sure that the data sources & tax rates that we (and Severin) are using in our MGS calculation are correct and that we're not missing anything. I can share our current breakdown before the call as well, if that would help.

Let me know a few days/times that you are available (this week if possible?) and I'll put something on the calendar.

Thank you!

Esther

Esther M. Shears – Deputy Chief Economist

Petroleum Market Oversight – California Energy Commission

m: (530) 391-0621 | esther.shears@energy.ca.gov

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