



# SPECIAL NOTICE

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

CRS  
711

## Rate Change for International Fuel Tax Agreement and Interstate User Diesel Fuel Tax Licensees Effective July 1, 2023

The tax rate you report and pay with your quarterly International Fuel Tax Agreement (IFTA) or Interstate User Diesel Fuel tax return for diesel fuel purchased outside California and used in California is changing twice this year. It will increase from 85.3 cents (\$0.853) to 89.3 cents (\$0.893) per gallon on July 1, 2023. Then, on October 1, 2023, it will increase again from 89.3 cents (\$0.893) to 1.089 dollars (\$1.089) per gallon.

### What is included in the tax rate?

The tax rate includes both diesel fuel tax and excise tax. Current law provides for a partial sales and use tax exemption (3.9375%) for sales of diesel fuel from October 1, 2022, through September 30, 2023. Therefore, diesel fuel will have one excise tax rate (\$0.452) for the period of July 1, 2023, through September 30, 2023, that accounts for the partial exemption and another rate (\$0.648) from October 1, 2023, through June 30, 2024, based on the full sales and use tax rate on diesel fuel.

	July 1, 2023, through September 30, 2023	October 1, 2023, through June 30, 2024
Total	89.3 cents (\$0.893)	1.089 dollars (\$1.089)
Diesel Fuel Tax*	44.1 cents (\$0.441)	44.1 cents (\$0.441)
Excise Tax	45.2 cents (\$0.452)	64.8 cents (\$0.648)

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

### When are these new tax rates in effect?

These new rates are in effect from July 1, 2023, through September 30, 2023, and October 1, 2023, through June 30, 2024, as shown above. You must use these rates starting with your third quarter 2023 return (July 1, 2023, through September 30, 2023).

### How do I report my tax-paid diesel fuel?

You must file your quarterly tax return and report the gallons of tax-paid diesel fuel you used in each state. Beginning July 1, 2023, you may claim a credit of 89.3 cents (\$0.893) per gallon for tax-paid diesel fuel that you purchased in California and used both inside and outside California. Then, beginning October 1, 2023, you may claim a credit of 1.089 cents (\$1.089) per gallon for tax-paid diesel fuel that you purchased in California and used both inside and outside California.

### For more information

For more information regarding IFTA, Diesel Fuel Interstate Users, or diesel fuel taxes, see our online *Tax Guide for International Fuel Tax Agreement (IFTA) and Diesel Fuel Interstate User* at [www.cdtfa.ca.gov/taxes-and-fees/ifta-ciudft-di-license.htm](http://www.cdtfa.ca.gov/taxes-and-fees/ifta-ciudft-di-license.htm). You may also call our Customer Service Center at 1-800-400-7115 (CRS:711), Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays. To reach a Motor Carrier Office team member, select the option for *Special Taxes and Fees* from the main menu, then select the *Motor Carrier Office Programs*.

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