

California gas tax decreasing

By Associated Press

California's tax board is lowering the state excise tax on gasoline by 2.2 cents per gallon.

Board of Equalization Vice Chairman George Runner says drivers in California overpaid their gas taxes last year under a complicated formula that was used to help bridge a state budget deficit in 2010.

So the board voted 3-2 on Tuesday to lower the tax to 27.8 cents per gallon as of July 1.

That will lower the amount of money going to roads and mass transit programs by about \$328 million next year.

But the board calculates the tax rate to bring in the same amount of money as the old sales tax.

It reduced the gas tax by 6 cents last year to avoid over-collecting, but still took too much.