

SENATE BILL SB-37

Introduced by Senator Brian W Jones (R-40)

An act relating to elimination of the increasing excise fuel tax. .

LEGISLATIVE COUNSEL'S DIGEST

SB-37, Brian W Jones (R-40). elimination of the increasing excise fuel tax. .

existing law places an increasing excise tax on fuel. my bill places a flat tax rate on fuel

Vote: 2/3rds. Appropriations/fiscal: no. Local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

CALIFORNIA LEGISLATURE—2025-2026 SIMULATION SESSION

SENATE BILLNO

[\[TA Assigns #\]](#)

Introduced by Senator Jones

September 28, 2026

The purpose of this bill is to eliminate code section 7360 and 7360(d) under Senate Bill 1 (SB 1), this bill aims to completely eliminate the excise tax on gasoline.

LEGISLATIVE COUNSEL'S DIGEST

SB [\[TA Assigns #\]](#), as introduced, Jones. An act to eliminate the Revenue and Taxation code under section 7360 relating to taxation.

Under existing law a 12-cent-per gallon increase tax has been added on gasoline. Additionally adjustments are made for inflation which automatically increases every year. The gas tax was implemented in order to fund repairs for roads, bridges and the maintenance of local transit which has been in effect since 2017 and has amounted to a total of 63.4 cents per gallon. Other factors such as state-mandated programs, fees and sales taxes equate to \$1.20 of total taxes placing a burden on consumers.

This bill will completely eliminate the increasing excise taxes on fuel in order to do so one would have to strike down Revenue and taxation code section 7360 which is the legal statute that imposes the per-gallon tax on fuel. Section 7360(d) would also have to be invalidated which automatically adjusts the gas tax rate for inflation every July 1st.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7360 is amended to read as follows:

7360. A tax of (\$0.18) is hereby imposed upon each gallon of fuel subject to the tax in sections 7362, 7363, and 7364. All subsequent price-based or Consumer Price Index-based inflators added on or after July 1, 2017, are hereby repealed.

SEC. 2.

(a) A flat tax rate of (\$0.18) shall be imposed but will explicitly prohibit the annual July 1st adjustment to the California Consumer Price Index.

(b) Sections to be nullified include 7360(c) thereby eliminating the (\$0.12) per gallon tax increase and Section 7360(d) which increases the gas tax by automatically adjusting annually.

(1) The California Department of Tax and Fee Administration shall cease all annual consumer price index adjustments to the tax rates in section 7360(d) and roll back all inflation adjustments accumulated since November 1, 2017.

(2) The authority of California Department of Tax and Fee Administration to calculate annual inflation increase is hereby terminated.

(3) Any future fuel tax adjustment must go through the traditional legislative process requiring a two thirds majority.

(c) If removing the tax creates a shortfall for highway users tax account or local road maintenance funded by SB 1, the State Controller shall be directed to transfer an equivalent amount annually from the State General Fund or Surplus revenues into the Transportation Tax Fund to maintain existing road maintenance commitments without further collecting excise gas tax at the pump.