

DEPARTMENT OF TRANSPORTATION

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*Flex your power!
Be energy efficient!*

November 5, 2009

The Honorable Denise Ducheny
Joint Legislative Budget and Fiscal Committee
1020 N Street, Room 553
Sacramento, CA 94814

The Honorable Alan Lowenthal
Senate Transportation Committee
State Capitol, Room 2209
Sacramento, CA 95814

Ms. Diane Boyer-Vine
Legislative Counsel
State Capitol, Room 3021
Sacramento, CA 95814

The Honorable Mike Eng
Assembly Transportation Committee
1020 N Street
Sacramento, CA 95814

Mr. Gregory Schmidt
Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

Dear Senators Ducheny and Lowenthal, Assembly Member Eng, Ms. Boyer-Vine and Messrs. Schmidt and Wilson:

I am pleased to transmit the Department of Transportation's (Department) "2009 Biennial Report on Unrefunded Gasoline Tax Used for Off Highway Agricultural Purposes," prepared pursuant to Revenue and Taxation Code section 8352.5. This report estimates the funds to be transferred in Fiscal Year (FY) 2009-10 and FY 2010-11 from the Motor Vehicle Fuel Account to the California Department of Food and Agriculture (CDFA) Fund. The transfers represent the estimated amount of the unclaimed portion of refundable motor vehicle fuel taxes used for off-highway agricultural purposes. This biennial report was prepared by the Department in cooperation with CDFA, as required by Revenue and Taxation Code section 8352.5.

No changes are anticipated in the gasoline excise tax rate; however, the methodology used to estimate the total agricultural gas expenditures and the average retail price for gasoline, has been revised. The methodology change is described in detail in the attached report. The most current data available has been used to calculate the transfers for FY 2009-10 and FY 2010-11. However, should there be an update to the data that alters the transfer amount, a subsequent report will be provided to account for the increase or decrease. The amount to be transferred for 2009-10 is

The Honorable Denise Ducheny, et al
November 5, 2009
Page 2

\$32,966,126. The FY 2009-10 transfer includes a deduction of \$3,500 for the Department's administrative, clerical, and reproduction costs in calculating the transfers and preparing the report. These costs are withheld, per Revenue and Taxation Code section 8352.9. The amount to be transferred for 2010-11 is \$32,969,626.

Distribution to the Legislature has been made by the Department pursuant to Government Code section 9795. This report can be found at <http://www.dot.ca.gov/reports-legislature.html>.

Sincerely,

RANDELL H. IWASAKI
Director

Enclosure

The Honorable Denise Ducheny, et al
November 5, 2009
Page 2

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