



ELECTRIC VEHICLE PURCHASING FEE LEGISLATION

Recently, many states across the U.S. are introducing legislation that would penalize people for switching to electric vehicles. Before early 2017, 10 states passed EV registration fees. Since the start of 2017, at least 10 additional states have introduced legislation that would require EV drivers to pay hundreds per year in fees.

WHY ARE STATES IMPLEMENTING FEES ON EVS?

Groups funded by Big Oil are urging state legislators to pass bills that make electric vehicles—which reduce the overall use of oil—more expensive. Additionally, states are looking for ways to make up for funds lost through lower gasoline tax revenue in order to pay for infrastructure projects, such as roads, bridges, and mass transit. The federal gas tax has helped states pay for infrastructure improvements in the past, but because the tax hasn't risen with inflation since 1993 and conventional vehicles are using less gas, states are not able to cover the cost of needed upgrades.

WHY IS AN ANNUAL EV DRIVER FEE A BAD IDEA?

- Unlike gasoline-powered vehicles, electric vehicles provide considerable benefits to states: their lighter weight reduces road wear; and their lack of tailpipe emissions improves

air quality and benefits public health. At the same time, EVs also reduce climate-disrupting pollution—even factoring in emissions from electricity generation, EVs still produce lower emissions than conventional cars. Since most states do not drill for or refine oil, EVs can help retain more tax revenue because the electricity is produced locally.



- Most proposed EV fees would require EV drivers to pay more than they would in gas taxes. The median of current and proposed EV fees is \$123/year, while the median amount of gas tax paid by a conventional vehicle owner is \$71 per year.
- Unlike drivers of gasoline-powered cars, who can reduce the amount of gas tax they pay by purchasing a more fuel-efficient model, EV drivers who pay a flat annual fee actually pay more, despite purchasing the most fuel-efficient type of vehicle.
- With EV technology still relatively new, this is the time to *incentivize*, not penalize, a shift to cleaner vehicles.

WHAT SHOULD STATES DO TO MAKE UP FOR LOSSES IN GAS TAX REVENUE?

It is critical that states have sufficient funding for roads, bridges, transit, and other infrastructure. However, EV fees are not the solution. There are many ways states can have drivers more equitably pay for infrastructure:

- Adjust state gasoline tax rates to cover rising costs. Increasing the gas tax by even a single cent per gallon would provide more revenue than imposing a \$123 per year registration fee on EVs, and in most states many tens or hundreds of times more revenue.
- Implement carbon pricing, a fair system where the people who pollute more pay more. Connecticut, Oregon, New York, Massachusetts, Rhode Island, Vermont, and Washington are all considering state carbon fees that would invest a portion of the revenues in energy efficiency and/or transportation infrastructure.
- Implement fees based on vehicle weight: owners are charged escalated fees based on the weight of vehicles, because heavier vehicles are responsible for more road damage. Washington State has already implemented such a program, and other states are considering it.
- Hold off instituting EV fees until they make up a larger portion of cars on the road. In Vermont, a government team recommended a plan to charge EV drivers a fee to support infrastructure once EVs make up at least 15% of the state fleet.

