POLICY REPORT

ECONOMIC & FISCAL POLICY

Guinn CENTER

# BRIDGING THE GAP:

## Revenue Options for Transportation Infrastructure in the Electric Vehicle Transition

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# ABOUT THIS STUDY

This study evaluates policy options to address motor vehicle fuel tax revenues impacted by the growth in electric vehicles (EVs) and hybrid electric vehicles (HEVs) in Washoe County. Commissioned and funded by the Regional Transportation Commission of Washoe County (RTC), this study provides a landscape scan of the policy interventions adopted by other jurisdictions throughout the country. It analyzes those policy interventions and the potential impact on future revenue replacement for consideration by the RTC. Legislators whose districts represent a portion of Washoe County were interviewed in person to assess their knowledge of motor vehicle fuel tax collections and support for potential policy interventions. The study also examines existing provisions in *Nevada Revised Statutes* (NRS) that may be exercised to address the impact on revenue for road construction and maintenance in the County.

**Key Findings:**

- Impact on Fuel Tax Revenue: Washoe County has experienced a reduction in non-indexed motor vehicle fuel tax revenue due to the increasing adoption of EVs and HEVs, which consume little to no gasoline. Post-COVID-19, the number of taxable fuel gallons has not returned to the level previously reached in 2019. Moreover, neither the State of Nevada nor Washoe County collects specialized taxes or fees on EVs or HEVs.
- Growth in EV and HEV Registrations: From June 2020 to June 2024, EV registrations in Washoe County increased by 407.2 percent, and HEV registrations grew by 112.6 percent As of June 2024, EVs and HEVs represent 2.0 percent and 3.3 percent of total vehicle registrations, respectively.
- Policy Interventions in Other States: Other states have implemented measures such as additional vehicle registration fees for EVs and HEVs, Vehicle Miles Traveled (VMT) taxes, and Electric Charging Station Taxes (ECST) to address the impact on fuel tax revenues.
- Possible Policy Solution: The study concludes that imposing additional registration fees on EVs and HEVs may be the best option for Washoe County due to its ease of implementation, cost-effectiveness, and revenue-generating potential.
- Legislator Perspectives: Legislators representing Washoe County generally support policy solutions to ensure EV and HEV owners contribute their fair share to road maintenance funding, with a preference for solutions that do not disincentivize EV adoption.
- Existing Nevada Statutes: Two provisions in NRS could be utilized to address funding gaps: (1) imposing a Supplemental Governmental Services Tax; and (2) increasing the sales tax by one-eighth of one percent for road construction and maintenance.

# EXECUTIVE SUMMARY

Washoe County has experienced an increase in electric vehicles and Hybrid Electric and Plug-in Hybrid Electric Vehicles since June 2020. While the increase in EVs and HEVs represent a positive step in meeting clean air standards in the area, this growth has had an impact on fuel consumption and taxable gallons of motor vehicle fuel sold in Washoe County, thus reducing funding available for road construction and maintenance. As of June 2024, EVs and HEVs represent 2.0 percent and 3.3 percent of total vehicle registrations in Washoe County, respectively. It is expected that EVs and HEVs will represent an increasing share of total vehicles registered in the future, thus creating an even greater impact.

Washoe County indexes motor vehicle fuel taxes, as provided by law, which allows fuel tax collections to increase with the cost of street and highway construction. This provides increases in funding based on inflation but does not address the issue of EVs and HEVs not contributing toward their share of road use.

We interviewed nine legislators representing Washoe County who generally understand the impact of EVs and HEVs on fuel tax collections and were open to implementing a policy solution to replace fuel tax in Washoe County.

This study examines policy interventions other states have implemented to address the growth of EVs and HEVs and their impact on fuel tax collections. These policy interventions include:

- Additional vehicle registration fees on EVs and HEVs;
- Vehicle Miles Traveled tax; and
- Electric Charging Station Taxes.

We also examined existing NRS to determine if provisions are available to address additional funding for road maintenance. Based on this examination, we determined that two potential and available provisions exist. They include: (1) imposing a Supplemental Governmental Services Tax, which requires approval of an ordinance by the Washoe County Board of County Commissioners; and (2) an increase of one-eighth of one percent in the sales tax dedicated by statute for public transit, construction, maintenance and repair of public roads or for the improvement of air quality.

We conclude that an additional registration fee on EVs and HEVs may be the best option with which to move forward, based on the speed of implementation, cost of implementation, and the amount of revenue it could generate.

**As of June 2024, EVs and HEVs represent 2.0 percent and 3.3 percent of total vehicle registrations in Washoe County, respectively.**

# INTRODUCTION

The Regional Transportation Commission of Washoe County was established by ordinance of the Board of County Commissioners in 1979 (Ordinance 132§3; Ordinance 430). The RTC exercises its powers and duties under Chapter 277A of NRS. Among its statutory duties are preparing and approving a budget for the Regional Street and Highway Fund and the Public Transit Fund (subsection 1(b) of NRS 277A.210) and conducting studies and developing plans to establish and approve short-range and regional plans for transportation (subsection 1(d) of NRS 277A.210).

The County approved the indexing of motor vehicle fuel tax rates to the Consumer Price Index (CPI) beginning in Fiscal Year (FY) 2004, and the Producer Price Index (PPI) beginning in FY 2010, in concert with policy changes by the Legislature to generate sufficient revenue relative to inflationary increases in road construction and maintenance. With the growth in the use of electric vehicles and hybrid electric vehicles as well as improvements in fuel efficiency for internal combustion engines in recent years, fuel consumption and corresponding tax revenue have not kept up with the number of users on the road.

The Legislature recognized this circumstance as a statewide issue when it passed Assembly Bill (AB) 483 in 2019 (codified as NRS 482.2177), which directed the Department of Motor Vehicles (DMV) to conduct a pilot program to gather data on annual vehicle miles traveled for certain motor vehicles registered in Nevada. The goal is to potentially implement vehicle-miles-based funding for roadways.

Several articles and studies have been published that have pointed to the insufficiency of fuel tax as a long-term solution to fund the construction and maintenance of roads and proposed solutions to address this insufficiency. This report examines solutions implemented in other states to deal with the growth of EVs and HEVs and their impact on motor vehicle fuel tax collections.

# METHODOLOGY

The growth in EVs and HEVs and the corresponding impact on motor vehicle fuel tax is an issue that has impacted all states. The Guinn Center examined approaches used in other states to address this issue by collecting information on comparative state policies and analyzing the potential impact of these policies in Washoe County.

The Guinn Center also gathered information reported by the Department of Motor Vehicles since 2021 on the number of miles driven by vehicle (by type, and by county) and the number of registered vehicles by county. Information was supplied by the Regional Transportation Commission of Washoe County on motor vehicle fuel tax collections specific to the county and the number of gallons of motor vehicle fuel tax sold.

The Guinn Center performed an analysis on the revenue-generating aspects of the various policies examined and developed a decision matrix to assist in determining the best policy options to consider. To ensure the accuracy, objectivity, and balance of the findings, the final report underwent peer review by subject matter experts from both public and private sector backgrounds.

# OVERVIEW OF MOTOR FUEL TAXES IN WASHOE COUNTY

## CURRENT ENVIRONMENT

Motor vehicle fuel is defined in NRS 365.060 as "gasoline, natural gasoline, casing-head gasoline, methanol, ethanol, or any other inflammable or combustible liquid regardless of the name by which the liquid is known or sold . . ." That section further provides that the term does not include special fuels, such as kerosene and diesel. Motor vehicle fuel in Nevada is taxed and collected at the time the fuel is distributed from a terminal (NRS 365.170 to 365.210, inclusive).

Motor vehicle fuel tax rates in the County are increased annually by the lesser of 7.8 percent or the adjusted average street and highway construction inflation index (Producer Price Index for Highway and Street construction) for the preceding 10 calendar years (NRS 373.066). This mechanism, otherwise known as fuel tax indexing, provides for fuel tax revenue to increase with inflation in the cost of street and highway construction. The portion of the indexed motor vehicle fuel tax that is directed to the Regional Street and Highway Fund is the largest source of funding for road construction and maintenance projects embraced by the Regional Plan for Transportation in Washoe County. It generated $64.7 million in FY 2024.[1] Furthermore, as of June 2024, 405,316 vehicles were registered in Washoe County, 331,383 of which (82 percent) are identified as gasoline or gasohol-powered vehicles and, therefore, pay motor vehicle fuel taxes.[2]

Motor vehicle fuel taxes include taxes mandated under NRS 365.180 and 365.190 at 5.35 cents per gallon and under NRS 365.192 at 1 cent per gallon, which are distributed directly to Washoe County and the incorporated cities of Reno and Sparks (NRS 365.550, 365.560, and 365.562). Under NRS 373.066, these tax rates are adjusted annually for increases in the PPI for street and highway construction. It should be noted that these tax rates were previously adjusted for increases in the CPI under NRS 373.065 until FY 2009. Increases in these rates under this provision expired by limitation January 1, 2010, as set forth in NRS 373.068, upon approval of Ordinance 1416 by the Washoe County Board of County Commissioners, which imposed tax increases under NRS 373.066.

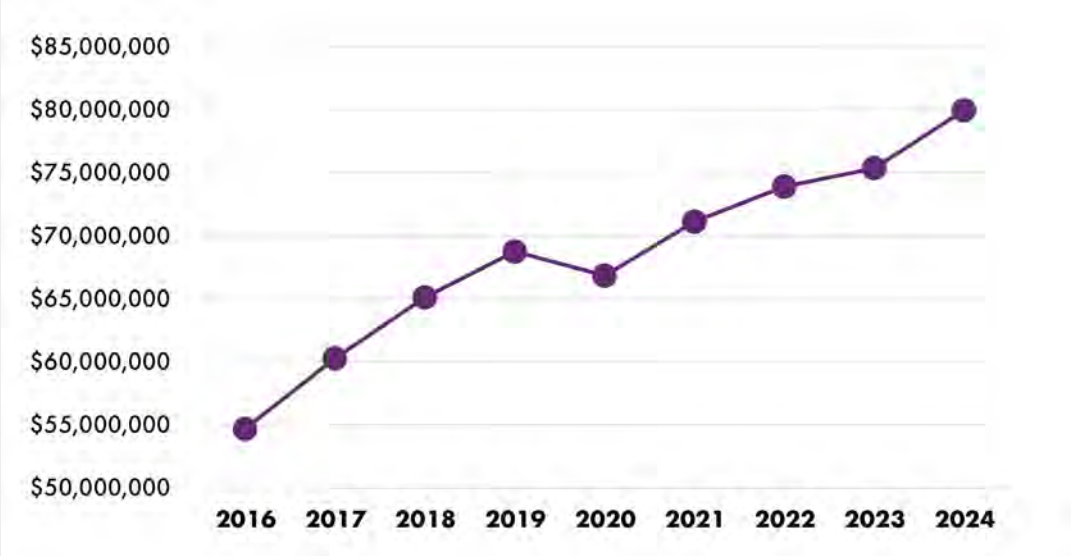
The motor vehicle fuel tax in the County also includes a county option rate under NRS 373.030, which enables any county—for all or part of which a streets and highways plan has been adopted as part of the master plan by the county or a regional planning commission—to impose, by ordinance, a tax in an amount not to exceed 9 cents per gallon. A 9-cent per gallon tax rate is currently imposed in Washoe County. It is distributed to the Regional Street and Highway Fund to pay the project cost within an area embraced by a Regional Plan for Transportation. The RTC of Washoe County administers this fund. Under NRS 373.066, this rate is also indexed to the street and highway construction PPI.

Under NRS 373.066, Washoe County also imposes indexing on the State and federal motor vehicle fuel tax rates, of which the indexed portions are also distributed to the Regional Street and Highway Fund.

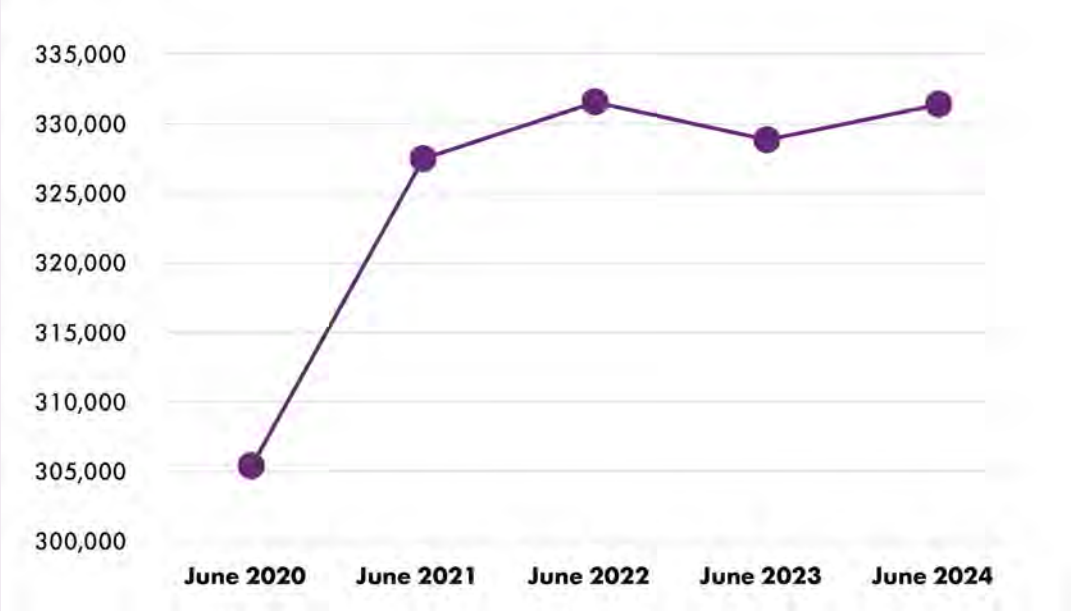
As illustrated in Figure 1 on the following page, fuel tax indexing has provided the RTC with a stable, steadily increasing source of revenue due mainly to the growth in the number of registered gas-powered vehicles (Figure 2) and indexing fuel taxes to the PPI (Figure 3).

1 This amount was obtained from fuel tax collection worksheets provided by the RTC of Washoe County.
2 Nevada Legislative Counsel Bureau, List of reports Submitted to the Legislature, 2023-2025 Biennium, page 13 of 13, https://www.leg.state.nv.us/Division/Research/Documents/RTTL_NRS482.2175_2024-07.pdf, https://www.leg.state.nv.us/Division/Research/Library/Documents/ReportsToLeg/

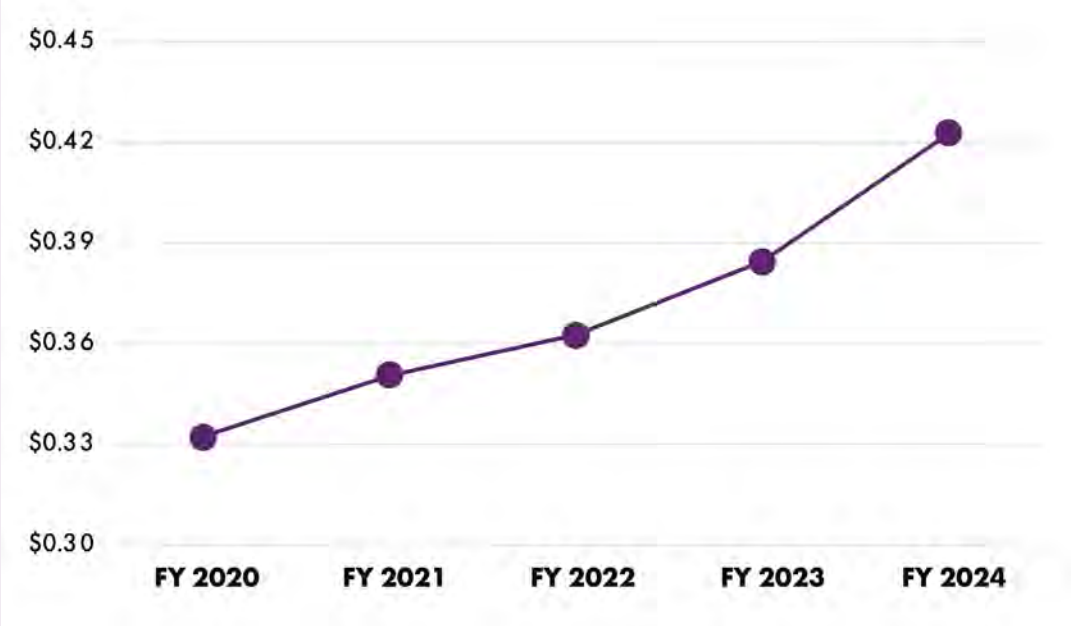
## Figure 1. Washoe County Option Tax and Tax Indexing Collections by Fiscal Year




## Figure 2. Gas-powered Vehicles Registered (Washoe County)



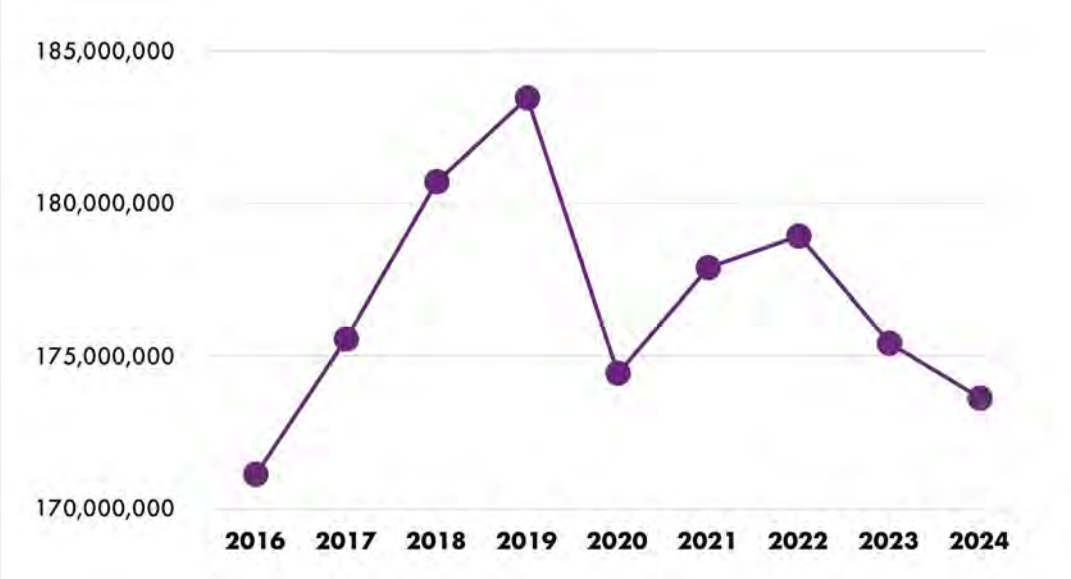
## Figure 3. Increases in the Producer Price Index Indexed Rate (Washoe County)





In recent years, however, the growth in EVs, HEVs and improved fuel efficiency for internal combustion-powered vehicles has impacted the effectiveness of the gas tax as a primary funding source for road construction and maintenance. While motor vehicle fuel tax collections display steady upward growth in Figure 1, the number of motor vehicle fuel taxable gallons reflects a declining trend of taxable gallons of gasoline, as illustrated in Figure 4. Post-COVID-19, the number of taxable fuel gallons has not returned to the level previously reached in FY 2019. Fiscal Years 2023 and 2024 have seen year-over-year decreases in the number of gallons of motor vehicle fuel sold.

## Figure 4. Motor Vehicle Fuel Taxable Gallons Sold in Washoe County by fiscal year



# IMPACT OF EVS AND HEVS

Over this post-COVID-19 period, Washoe County experienced declines in taxable gallons of fuel, while the county saw increases in total vehicle registrations, as shown in Figure 5 (although total vehicle registrations slowed from 2022 to 2023). From June 2020 to June 2024, total vehicle registrations in Washoe County grew by 45,352 vehicles, an increase of 12.6 percent.

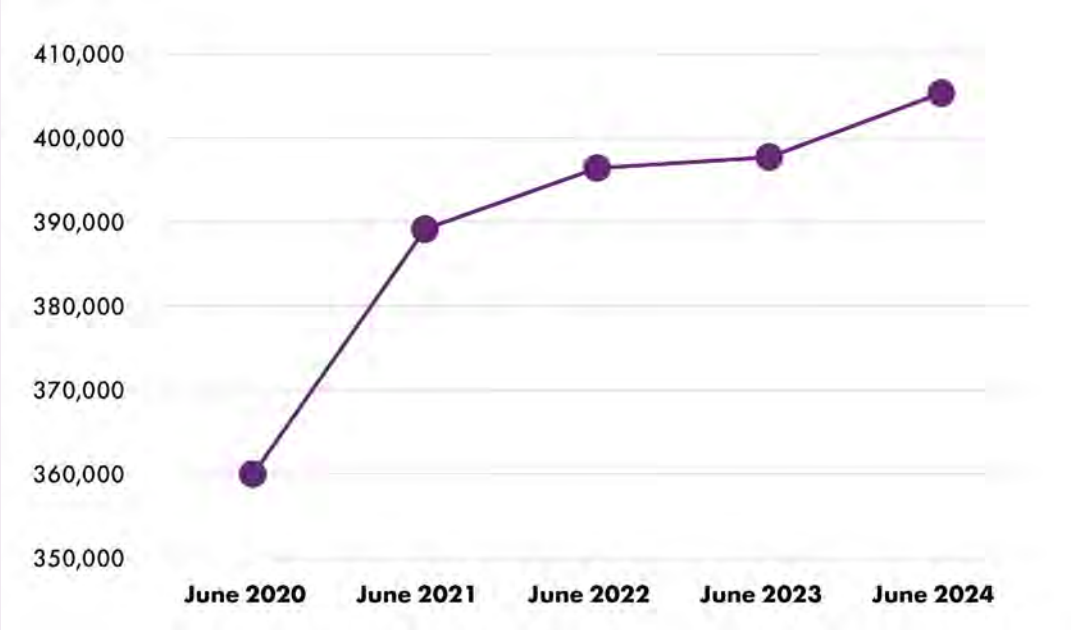
Over the same period, Washoe County experienced increases in EV and HEV registrations, contributing to the rise in total vehicle registrations (see Figure 6). Electric Vehicle registrations in Washoe County grew by 6,446 vehicles (407.2 percent), and HEVs grew by 7,152 vehicles (112.6 percent). Examined another way, EVs and HEVs represented 0.4 percent and 1.8 percent, respectively, of total vehicle registrations in Washoe County in June 2020. By June 2024, EVs and HEVs accounted for 2.0 percent and 3.3 percent of total registrations, respectively.

Compared nationally, based on the most recent information available in calendar year 2023, EVs accounted for 1.2 percent and HEVs 3.0 percent of all vehicles registered.[3]

The growth in EVs and HEVs registered in Washoe County has had an impact on fuel consumption and taxable gallons of motor vehicle fuel sold in Washoe County because EVs do not consume gasoline, and HEVs consume a much smaller amount compared to vehicles powered solely by internal combustion engines.

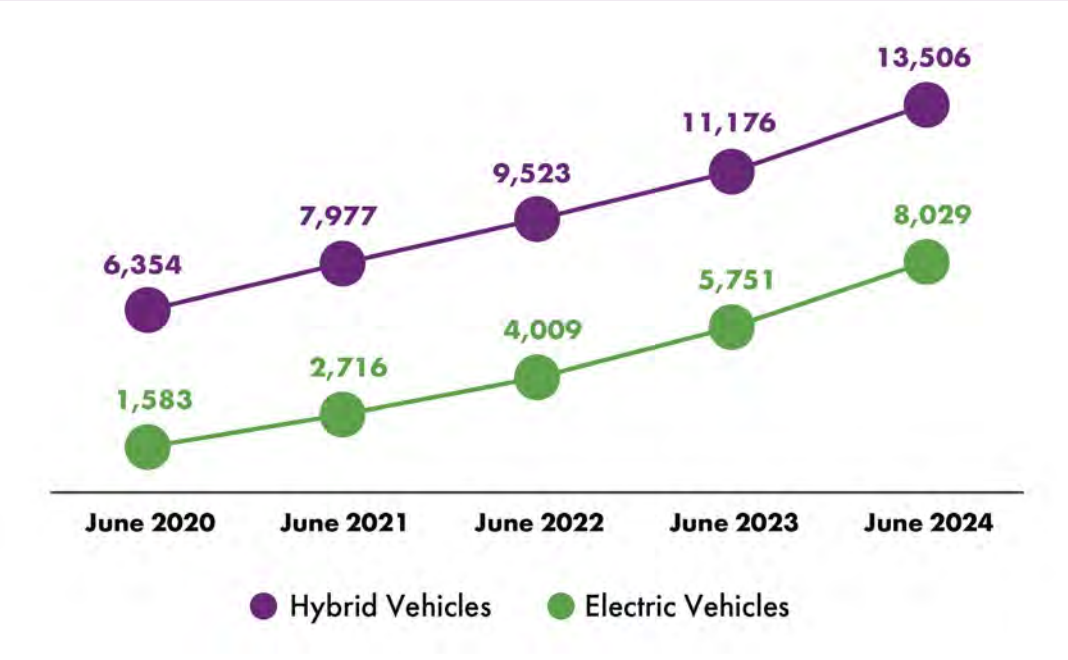
Average fuel efficiency for vehicles powered by internal combustion has increased each year since 2016, thus resulting in fewer gallons of fuel sold and taxes on that fuel collected. According to the 2024 EPA Automotive Trends Report, real-world miles per gallon (MPG) for all vehicles increased from 24.7 in 2016 to 27.1 in 2023.[4]

## Figure 5. Vehicle Registrations in Washoe County (all vehicles)




3 US Department of Energy, Alternative Fuels Data Center, Vehicle Registration Counts by State 2020, https://afdc.energy.gov/vehicle-registration.
4 The 2024 EPA Automotive Trends Report, Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975, page 14, https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockey=P101CUU6.pdf.

Figure 6. EV and HEV Registrations in Washoe County




# LACK OF POLICY INTERVENTIONS IN WASHOE COUNTY

Neither the State of Nevada nor Washoe County collects specialized taxes or fees on EVs or HEVs. Under current law, EV owners and HEV owners—like all vehicle owners—must register their vehicles with the DMV annually. They pay a $33 registration fee, and this fee is directed to the State Highway Fund. They also pay Governmental Services Tax, which is based on the value of the vehicle registered, and which is distributed, in part, to the State Highway Fund, State Education Fund, and local counties and cities. Although the State Highway Fund receives some funding from owners of EVs and HEVs through the annual vehicle registration fee and a portion of the Governmental Services Tax, the County and RTC do not receive any direct funding. The Governmental Services Tax, currently distributed to Washoe County and the Cities of Reno and Sparks, is distributed through the Consolidated Tax (CTX) distribution by the Nevada Department of Taxation. Based on a review of the budgets for each entity, the CTX distribution becomes a General Fund revenue source that supports general governmental operations such as public safety and administration.

# LEGISLATOR PERSPECTIVES

The Guinn Center requested interviews with 12 Legislators whose districts represent a portion of Washoe County to assess their knowledge of motor vehicle fuel tax collections and support for potential policy interventions (see Appendix A). Nine Legislators responded, indicating they were familiar with how motor vehicle fuel tax collections work in Washoe County, although their responses varied when asked to describe their level of familiarity. The Legislators generally indicated an understanding of fuel tax collections in Washoe County. At the same time, certain responses cited specific aspects such as fuel tax indexing, the point of collection, and the distribution and use of fuel tax proceeds.

**Policy Measures in Other Jurisdictions**

When asked about their understanding of measures undertaken in other jurisdictions to replace motor vehicle fuel taxes with other taxes or fees, responses primarily included: (1) increased vehicle registration fees paid by EV or HEV owners; or (2) a fee based on miles driven or a Vehicles Miles Traveled tax (with one response specifically pointing to the Oregon VMT program). Responses also included a fee or tax paid upon purchasing an electric vehicle and an increase in the fuel tax. One response pointed to Utah as the best example of another state implementing a solution to the issue of EVs and HEVs paying little to no fuel tax (a summary of Utah's Road User Charge Program appears later in this report).

**Policy Implementation in Washoe County**

All the legislators interviewed were open to implementing a policy solution to replace the fuel tax in Washoe County and address electric and hybrid vehicle owners paying little or no fuel tax. The consistent theme voiced by legislators is that EV and HEV owners should pay their fair share for using the roads, and motor fuel-powered vehicles should not bear the full burden of paying taxes. Although support was indicated for a policy solution, more than one interviewee supported a solution that did not disincentivize the continued growth in EVs. There was also mention of implementing a policy solution statewide rather than at the county level, that the policy solution address both HEVs and EVs, that the least intrusive solution should be developed, and that additional registration fees should be supported to address the issue.

# POLICY INTERVENTIONS IMPLEMENTED IN OTHER STATES

Other states have adopted policy interventions to address the funding and corresponding road use impacts of EVs and HEVs. The most predominant policy interventions include additional registration fees for EVs and HEVs, a Vehicle Miles Traveled tax, and an Electric Charging Station Tax (ECST). These policy interventions are examined more closely below.

## ADDITIONAL REGISTRATION FEES

The implementation of registration fees on EVs and HEVs, in addition to traditional registration fees on all vehicles, are the most widely used policy intervention to recover funding for the use of publicly maintained roads by these vehicles. The National Conference of State Legislatures (NCSL) reported in a brief updated on May 27, 2025, that 39 states currently charge an additional fee for each EV at the time the vehicle is registered (see Appendix B).[5] The fee varies by state and ranges from $50 in South Dakota to $400 for the registration of a new EV in Texas.

The additional registration fee for EVs usually represents a flat fee due at the time of registration. The fee varies by weight of the vehicle in some states. Many states index the EV registration fee to an inflationary measure such as the Consumer Price Index or include prescribed dollar amount increases in statute, sometimes at specific time intervals. For example:

- In Alabama, the base fee of $200 is increased by $3 every fourth year, resulting in the current fee of $203;
- Colorado, which established a base fee of $50 in statute indexed to inflation, now charges a fee of $57.19, reflecting the effect of indexing to inflation; and
- States such as Michigan, Missouri, Montana, and Oklahoma structure their fees based on the weight of the vehicle, charging higher fees as the weight of the vehicle increases.

Virginia implemented an innovative policy intervention. Electric vehicle owners pay a Highway Use Fee of $128.14, which is determined by multiplying 85 percent by the fuel taxes paid on fuel used by a vehicle with a combined fuel economy of 23.7 miles per gallon for the average number of miles traveled. Virginia drivers who pay this fee may enroll in the Mileage Choice Program, allowing vehicle owners to pay per mile traveled instead of the Highway Use Fee.

In Michigan, the fee is adjusted based on the price of gasoline. If the gasoline tax is above 19 cents per gallon, the registration fee for electric vehicle owners is increased by $5 for each 1 cent above 19 cents per gallon. For plug-in hybrid vehicles, the registration fee is increased by $2.50 per vehicle for each 1 cent above 19 cents per gallon.

In most states, the Department of Motor Vehicles, or its equivalent, collects the additional registration fee.

Provisions regarding EV registration in states surrounding Nevada are summarized below:

- California collects $118 (current indexed rate) for zero-emission vehicles.
- Arizona does not collect an additional registration fee for EVs.
- In Utah, a state that implemented a Road User Charge (RUC) also referred to as the Vehicle Miles Traveled tax, a fee of $138.50 is charged for EVs; however, EV owners may choose to enroll in the RUC program instead of paying the annual flat fee.
- Oregon, another VMT tax state, has a similar program that charges a yearly fee of $115. Still, EV owners who enroll in the VMT program are not subject to the additional registration fee.
- In Idaho, an additional fee of $140 is collected from EV owners.

5 National Conference of State Legislatures, "Special Registration Fees for Electric and Hybrid Vehicles", https://www.ncsl.org/transportation/special-registration-fees-for-electric-and-hybrid-vehicles.

Of the 39 states that charge an additional registration fee for EVs, our research indicates 31 states also charge an additional fee for each HEV. These are identified in other state statutes as hybrids or plug-in hybrids. The additional fees charged for HEVs are usually lower, and in many cases represent one-half of the additional fee charged for EVs (see Appendix B).

The states that employ this policy intervention usually direct all or a portion of the revenue to a state highway fund or road fund and distribute a portion to local governments to maintain roads.

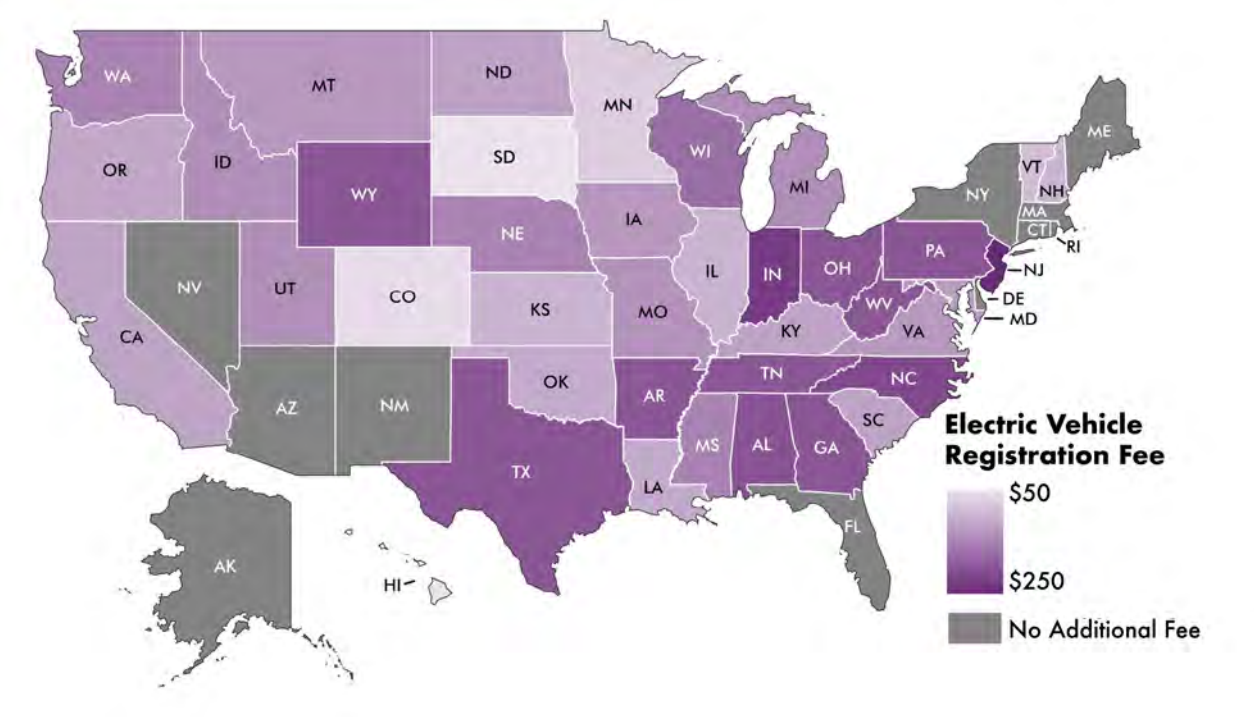
**Pros and Cons of Registration Fees for Electric Vehicles and Hybrid Electric Vehicles**

The advantage of imposing additional registration fees on EVs and HEVs is that they represent a straightforward policy intervention due to the ease of implementation, administration, and familiarity with the public. This intervention could be incorporated into the existing vehicle registration fee collection process and likely require little additional cost to implement and administer, except for information technology programming. It is also a solution that the public can understand since registration fees on motor vehicles have been in place for many years. Understanding the cost, however, may not translate to acceptance on the part of electric or hybrid vehicle owners. Some electric vehicle owners perceive they are being penalized for owning an EV.

Opposing priorities could make it challenging to establish the fee's level. If the cost was set too high, it could present a disincentive to purchase and own an EV or HEV and thus hinder the state's ability to achieve future goals in reducing greenhouse gases by expanding electric vehicles. If the fee is too low, it may generate insufficient revenue to address road wear resulting from the EVs and HEVs.

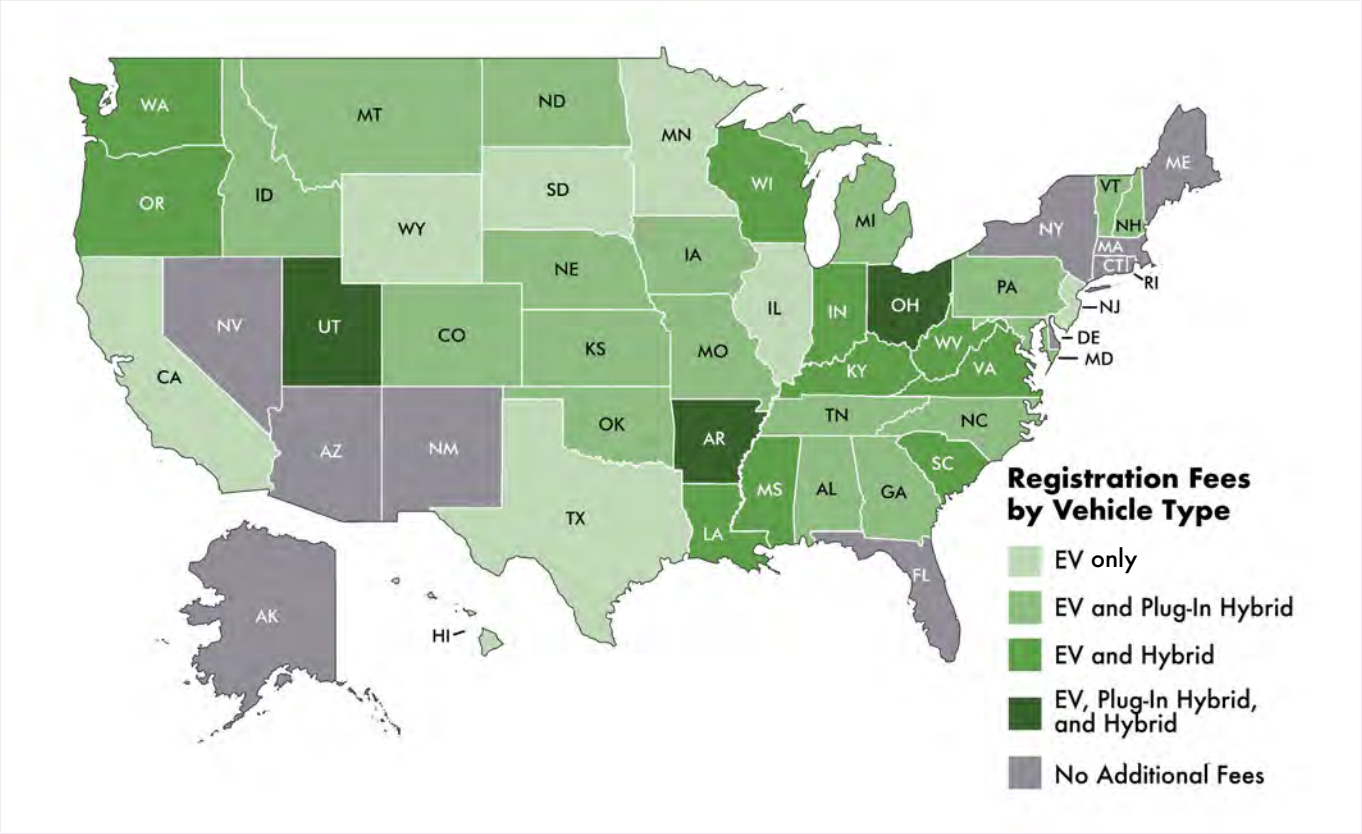
A fee on EVs and HEVs also does not address the impact on fuel tax collections from improved fuel-efficient vehicles. If the additional fee were approved by the Legislature, it is possible that a portion of the fee would be directed to the State Highway Fund since the State is experiencing similar road maintenance and infrastructure funding issues as Washoe County due to the growth in EVs and HEVs.

## Figure 7. Additional Annual Registration Fees for Electric Vehicles by State




*Note: This map displays annual registration fees for electric vehicles registered as automobiles. Some states impose higher fees on heavy or commercial vehicles. Additional Details may be found in Appendix B.*

## Figure 8. Registration Fees for Electric Vehicles and Hybrids by Vehicle Type




**Impact on Economic, Environmental, and Social Factors**

Establishing the fee would generate additional revenue and improve the funding needs for road maintenance in Washoe County. This could generate further economic benefits by employing more people to perform the necessary construction and maintenance, and through improved traffic flow and safer roadways once these projects are completed. If the fee were set too high, it could hinder the proliferation of EVs and HEVs, which generate fewer pollutants, leading to cleaner air.

# VEHICLE MILES TRAVELED TAX

A Vehicle Miles Traveled tax, also known as a Road User Charge is a charge that drivers pay per mile when they drive on public roads.[6] Currently, three states have implemented the VMT tax for EV owners as a policy intervention. These include Oregon, Utah, and Virginia. A fourth state, Hawaii, approved a VMT program that will go into effect beginning July 2025. The characteristics of each of these programs are discussed below.

### Utah's Road User Charge Program

The Utah RUC program began in January 2020 and is voluntary for EV owners in Utah. Owners of EVs have the option of participating in the RUC program and paying $0.0111 per mile driven up to the maximum total of $143.25 or paying an annual additional registration fee of $143.25. These fees increase beginning in 2026 to $0.0111 per mile up to a maximum of $180, or a yearly fee of $180 (each adjusted annually for inflation). The additional registration fee is mandatory if the EV owner does not participate in the RUC program. Otherwise, EV owners may participate in the RUC program instead of paying the additional registration fee. The RUC program offers two mileage reporting options: telematics or an odometer photo every three months using a mobile device. Neither program involves sharing location data. Most EVs come equipped with a telematics system. Utah uses a third-party contractor to operate the program.[7,8]

### Oregon's Vehicle Miles Traveled Program

Oregon implemented a VMT program beginning July 2015, known as OReGO. Oregon residents who own a light-duty passenger vehicle that is electric, hybrid, diesel, or gas-powered may enroll in the program voluntarily. This program includes a per-mile charge of $0.020 only on Oregon public roads using GPS data. Owners of non-electric vehicles may opt into the program if they own a car rated at 20 miles per gallon or greater. Owners of vehicles that consume fuel receive a non-refundable credit for fuel tax paid at the pump. Electric vehicle owners who pay the per-mile fee are not subject to the additional registration fee of $115.

The Oregon Department of Transportation partners with third-party vendors to help drivers report their miles.[9]

### Virginia's Highway Use Fee

In Virginia, fuel-efficient vehicles, defined as vehicles with a combined fuel economy of 25 miles per gallon (MPG) or greater, pay the Highway Use Fee. This fee is discussed in Appendix B as an additional fee (currently $128.14) paid at the time of registration. It is determined by multiplying 85 percent of the difference between the amount of fuel taxes paid on fuel by a vehicle with a combined fuel economy of 23.7 MPG and taxes paid by a vehicle using the manufacturer's combined MPG rating based on the average miles driven by all Virginians. Virginia also implemented a program called Mileage Choice, which allows eligible vehicle owners (those who pay the Highway Use Fee) to pay their fee per mile instead of paying the Highway Use Fee by enrolling before renewing their registration. The amount paid under the program is capped at the amount of the Highway Use Fee. The Mileage Choice Program is voluntary and requires the owner to install a device that records the miles driven. The owner can opt for a non-GPS-enabled device that will only track their miles driven and not their location. The Mileage Choice program is overseen by the Virginia DMV and operated by a third-party vendor under contract with the department.[10]

### Hawaii's Road User Charge Program

The Hawaii Legislature recently approved a RUC program called HiRUC in response to the growth in electric and increasingly efficient vehicles, which will be implemented on July 1, 2025. When this measure takes effect, the $50 EV surcharge will be phased out, and EV owners will have the option of paying a per-mile fee of $8 per 1,000 miles, capped at $50, or paying a $50 flat annual RUC. As noted on the Hawaii Department of Transportation website, the department will present a long-term RUC transition plan by the end of 2025 with steps on transitioning all vehicles to a RUC by 2033.[11]

6 Tax Foundation, "Vehicle Miles Traveled Taxes Rollout across States", May 9, 2024, https://taxfoundation.org/blog/state-vmt-vehicle-miles-traveled-taxes/.
7 UDOT, Road Usage Charge, https://www.udot.utah.gov/connect/public/road-usage-charge/.
8 UDOT, Road Usage Charge Program, https://transportationtechnology.utah.gov/road-usage-charge/.
9 OReGO, https://www.oregon.gov/ODOT/Programs/Pages/OReGO.aspx.
10 Virginia Department of Motor Vehicles, https://www.dmv.virginia.gov/vehicles/taxes-fees/mileage-choice.
11 Hawaii Department of Transportation, https://hiruc.org/.

**Nevada's Vehicle Miles Traveled Pilot Program**

It should be noted that Nevada established a pilot program in 2019 (Assembly Bill 483) to determine vehicle miles traveled in the state (NRS 482.2175 and 482.2177). In subsection 1(b) of NRS 482.2175, the Legislature noted the financial challenges in adequately funding the construction and maintenance of highways in Nevada. It indicated its intent to seek significant and innovative solutions, including basing revenue collection on the annual vehicle miles traveled by each vehicle using the highways in this state. These sections of the statute expire on December 31, 2026. Assembly Bill 296, which was approved by the 2025 Legislature and signed by the Governor, extends the expiration date of the program to December 31, 2030. However, legislation that would implement a policy intervention to address EVs and HEVs usage in Nevada was not approved by the 2025 Legislature.

Under the requirements of NRS 482.2175 and 482.2177, the DMV has reported the number of miles driven by vehicle type and by county on a semi-annual basis since January 2021. These semi-annual reports also include information on the number of vehicles registered by fuel type and by county. This information is useful in analyzing the growth and usage of EVs and HEVs in Washoe County. This information is also useful in performing analysis to assist policymakers in addressing this issue in the future.

**Registered Electric Vehicles and Hybrid Electric Vehicles in Select States**

The Alternative Fuels Data Center of the U.S. Department of Energy reports the number of registered vehicles by type in each state by year. Table 1 displays the number of registered vehicles by state highlighted in this section, with Nevada included for comparison.[12]

## Table 1. Registered EVs and HEVs by VMT State in 2023

| State | EVs | Plug-in Hybrid | Hybrid Electric |
|---|---|---|---|
| Utah | 40,000 | 13,000 | 83,200 |
| Oregon | 64,400 | 28,800 | 156,900 |
| Virginia | 84,900 | 26,800 | 229,400 |
| Hawaii | 25,600 | 7,300 | 36,400 |
| Nevada | 47,400 | 10,600 | 69,600 |

12 US Department of Energy, Alternative Fuels Data Center, https://afdc.energy.gov/vehicle-registration.

## Pros and Cons of a Vehicle Miles Traveled Tax or a Road User Charge

The VMT tax ties road usage to the amount of tax paid, which makes it effective in relating the tax to road use. It also presents an effective method of measuring and taxing road use by EVs and HEVs rather than the registration fee. However, as pointed out in programs implemented in other states, a registration fee approximating the fuel tax paid in a year, based on average miles driven, could be implemented to offer the EV or HEV owner a choice between a per-mile fee or a flat fee. The VMT could also be structured to address vehicles with improved fuel efficiency, which an additional registration fee does not address. With the growth of EVs likely to continue, the VMT could provide a better option to generate sustainable revenue, as EV and HEV usage increases. The VMT offers the added advantage of being more equitable among taxpayers since the amount of tax paid is relative to miles driven. Motorists, however, may view the VMT as unfair since it would capture miles traveled outside Washoe County and the policy could receive criticism relating to the overpayment of the tax.

Conversely, a VMT program would likely be more costly and require additional implementation lead time. The increased cost comes from establishing the administrative capability and potentially equipping vehicles with mileage tracking devices. Information was unavailable from other states to compare the price of implementation and operation of a VMT program to its benefits, or how the cost structure of a third-party vendor compares to revenue derived from the program. If implemented by the DMV, additional time and resources would be necessary to develop a program.

Nevada has an advantage in that vehicle miles traveled information is currently collected under the pilot program established in 2019. For EV owners and residents in rural counties who are not required to obtain a vehicle emission test to register their vehicles, it is uncertain how accurate the self-reporting of the mileage on the odometer is, since this information is not recorded at an emission station. It appears that other states have overcome privacy concerns concerning automated methods of collecting vehicle miles traveled by not tracking the location of the vehicles, only miles driven.

## Impact on Economic, Environmental, and Social Factors

Proponents note that a VMT approach to recovering taxes from EVs and HEVs provides greater equity among taxpayers by basing the tax on miles driven. States can also account for the vehicle's weight class in the tax, thus reflecting the impact on the infrastructure. Based on information reviewed on other state programs, it does not appear that the VMT tax causes a disincentive in the purchases and growth of EVs. However, states implementing the VMT, or RUC, cap a vehicle's annual payment. This cap helps avoid taxing EVs exorbitantly and creating a disincentive to EV ownership.

# ELECTRIC CHARGING STATION TAXES

The electric charging station tax is primarily imposed on each kilowatt hour (kWh) delivered or distributed. Utah imposes a 12.5 percent tax on retail sales of electricity at an electric charging station. Seven states have ECSTs in effect. Those include Iowa, Kentucky, Montana, Utah, Oklahoma, Wisconsin, and Pennsylvania. Georgia, which enacted an ECST in 2023, delayed its implementation from January 1, 2025, to January 1, 2026. The ECST is not the sole method these states utilize to recover funding for road use by EVs. Each state that imposes the electric charging station tax also imposes an additional registration fee on EVs. Utah imposes a VMT tax as previously discussed. Each state requires the charging station owner to be licensed by the state agency administering the tax. Below are further details regarding the ECST in each of the seven states listed above.

### Iowa's "Electric Fuel" Excise Tax

Iowa began imposing a $0.026 per kWh excise tax on July 1, 2023. The tax is collected at the point of sale by charging station operators who are responsible for reporting and paying the tax. The tax does not apply to electric fuel dispensed at residences. Electric Fuel Excise Tax proceeds are distributed to the road use tax fund.[13,14]

### Kentucky's Excise Tax of Electric Vehicle Power

Kentucky imposes an excise tax on electric vehicle power distributed by an electric vehicle power dealer to charge electric vehicles. The rate per kWh is $0.032 effective January 1, 2025. There is an additional surtax with a rate of $0.032 per kWh on electric power distributed by an electric power dealer when the electric vehicle charging station is located on state property. House Bill 122, of the 2024 Legislative Session, changed the definition of electric power dealer to exclude level 1 and 2 charging stations from taxation, meaning those charging stations with a charging capacity of less than 20 kilowatts. The tax went into effect January 1, 2024, and is transferred to the road fund per Kentucky statute.[15,16]

### Montana's Electric Charging Station Tax

Beginning July 1, 2025, public utilities will start charging a $0.03 tax per kWh on public charging stations in Montana with a charging capacity greater than 25 kW. Montana law (HB 55) requires new charging stations to install electric meters by July 1, 2023. Charging stations operating before July 1, 2023, must have an electric meter installed by July 1, 2025.[17] Proceeds of the tax are remitted to the Montana Department of Transportation. According to a fact sheet on the Montana Public Electric Charging Station Tax, Montana collected $4,576 in the first quarter of 2024 for 166,413 kWh.[18]

### Utah's Electric Charging Station Tax

Utah imposes a tax of 12.5 percent on all retail sales of electricity at an electric vehicle charging station, effective January 1, 2024. Revenue generated from the tax is deposited into the transportation fund.[19]

### Oklahoma's Tax on "Electric Fuels"

Oklahoma imposes a $0.03 per kWh excise tax on sales of electric fuel at public charging stations. The fee does not apply to electric fuel dispensed at private residences for personal use. According to the Oklahoma Tax Commission, the fee, in addition to charging at a private residence for personal use, does not apply to charging stations with a charging capacity of less than 50 kilowatts and charging stations that do not require payment.[20] Revenue from the fee is apportioned to the Driving on Road Infrastructure with Vehicles of Electricity Revolving Fund.

### Wisconsin's Electric Charging Station Tax

Beginning January 1, 2025, Wisconsin imposed an excise tax of $0.03 per kilowatt hour on electricity delivered from an electric vehicle charging station into an electric vehicle's battery or other energy storage device. The excise tax applies regardless of whether the charging station is available for public use and whether the consumer is charged for the electricity from the EV charging station.[21]

13 Iowa Department of Revenue, https://revenue.iowa.gov/taxes/tax-guidance/sales-use-excise-tax/electric-fuel-excise-tax.
14 Iowa Legislature, House File 767, 2019, https://www.legis.iowa.gov/docs/publications/LGE/88/HF767.pdf.
15 Kentucky Department of Revenue, https://revenue.ky.gov/Business/Pages/Electric-Vehicle-Power-Excise-Tax.aspx.
16 Kentucky statutes, https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=54626.
17 Montana, 68th Legislature, House Bill 55, https://archive.legmt.gov/bills/2023/BillPdf/HB0055.pdf.
18 Montana Public Electric Vehicle Charging Station Tax (HB 55) Fact Sheet, https://archive.legmt.gov/content/Committees/Interim/2023-2024/Transportation/Meetings/240508-May-08-2024/03.010-HB_55-PUBLIC_CHARGING_STATIONS_FACT_SHEET.pdf.
19 Utah Code, Chapter 30, https://le.utah.gov/xcode/Title59/Chapter30/C59-30_2023050320240101.pdf.
20 Oklahoma Tax Commission, https://oklahoma.gov/tax/businesses/oklahoma-drive-act-tax.html.
21 State of Wisconsin, Department of Revenue, https://www.revenue.wi.gov/Pages/News/2024/Electric-Vehicle-Charging-Station-Tax.pdf.

## Pennsylvania's Alternative Fuels Tax on Electricity

Pennsylvania imposes an alternative fuels tax on electricity of $0.0172 per kWh. Recently, the Pennsylvania Legislature eliminated the alternative fuels tax on electricity for residential charging.[22]

## Pros and Cons of the Electric Charging Station Tax

The ECST offers another option for states to recover funding from EV and plug-in hybrid owners for road use. As the number of EVs grows, revenue from the tax also grows. Information from the Utah State Tax Commission indicated the revenue fiscal note on the bill that established the tax in 2023 (HB 301) was $300,000 in FY 2024 and $1 million in FY 2025. A Kansas Legislative Research Department memo on the subject reported a quote from a policy analyst in Utah that during the first five months the tax went into effect (January 1, 2024, to May 31, 2024), the tax generated $239,402.23

Although most of the states established a tax rate of $0.03 per kWh, it may be difficult to estimate the amount of revenue a specific rate of tax generates due to the number of miles driven by EVs and the number of EVs traveling to Washoe County or Nevada from other states. Also, charging information is not captured on non-commercial sources like homes, hotels, or restaurants that provide charging stations. It should be noted that this tax, like the other policy interventions previously mentioned, was implemented and is administered at the state level in different states. Other state statutes require charging station operators to be licensed by the agency responsible for tax administration.

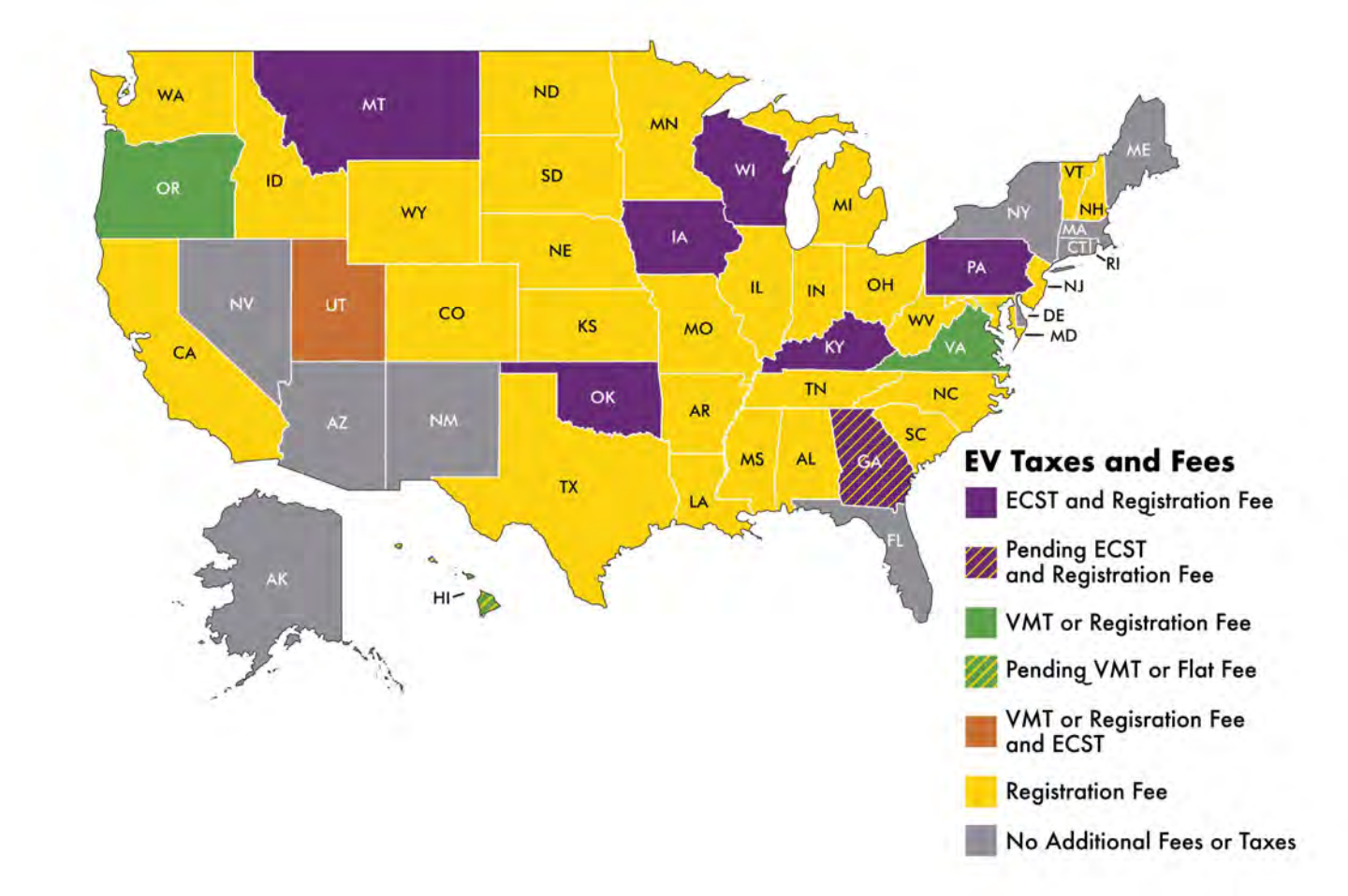
If ECST is considered as a policy intervention by the Nevada Legislature, policymakers may need to evaluate the time necessary to retrofit existing charging stations with meters to measure kWh output and determine the tax due. Other states, such as Montana, considered this when crafting their policy implementation timeline. Also considered is the cost of setting up a new tax and reporting system, whether the law would be enforced, and the entity responsible for collecting the tax.

## Impact on Economic, Environmental, and Social Factors

The economic impact of ECST appears to fall on owners and operators of EV charging stations. An earlier inquiry with the Nevada Public Utilities Commission indicated that kWh usage at charging stations was unknown since they are privately owned. Owners of charging stations may be required to bear the cost of: (1) adding a meter to the charger if kWh usage at the charging station cannot be identified; (2) applying and paying for a license to operate the charging station and reporting and remitting the tax; and (3) potential administrative expenses depending on how a law would be structured. Electric vehicle owners would potentially pay the tax, and/or pay to recharge the battery in the EV. Most states have exempted vehicle charging at home, which may relieve the owner of the EV of much of the tax burden.

22 Thomson Reuters," Pennsylvania Imposes Electric Vehicle Road User Charge, Eliminates Alternative Fuels Tax on Electricity for Residential Charging", https://tax.thomsonreuters.com/news/pennsylvania-imposes-electric-vehicle-road-user-charge-eliminates-alternative-fuels-tax-on-electricity-for-residential-charging/.
23 Kansas Legislative Research Department, March 10, 2025, Memorandum, Page 5, https://klrd.gov/2025/03/11/taxes-on-electric-vehicle-charging/.

## Figure 9. Electric Vehicle Fees and Taxes by State: Electric Charging Station Taxes, Vehicle Miles Traveled Taxes, and Additional Registration Fees



# OTHER POTENTIAL POLICY INTERVENTIONS

Beyond the policy options discussed in detail in this report, other potential policy interventions that are not necessarily implemented in other states could be adopted.

A tax on batteries was identified as a possible consideration in the Nevada Sustainable Transportation Funding Study, published in December 2022. The Study indicated "[e]lectric or hybrid vehicles could theoretically be taxed based on the presence of battery technology or capacity." When the Study was published, it was noted that no state taxes car batteries to fund transportation.[24] The Study examined the possibility of taxing vehicle batteries in further detail and concluded that an annual fee on battery size has limited revenue potential due to the reasonableness of rates.[25]

Another potential area of taxation is the per-tire excise tax. The Study examined this and noted that other states assess a tax on tires to fund recycling and disposal. In Nevada, $1 is collected for the sale of each tire, 95 percent of which is deposited into the Solid Waste Management Account. States that tax tires charge a flat rate or vary the rate based on the weight or diameter of the tire. The statewide analysis performed in the Study assessed what a $50 per tire excise tax would generate, assuming four new tires were purchased every 5 years, which was $100 million the first year and $1.7 billion over the following 20 years. The conclusion drawn in the Study was that it would not keep pace with highway usage.[26]

The Study also considered congestion pricing, which could be applied in high-traffic areas of metropolitan areas of the state. The Study examined the revenue-generating potential of the policy if applied in Reno and Las Vegas; however, it also concluded that it would fall short in comparison to road usage over a 20-year period.[27] Moreover, the imposition of this tax does not appear to specifically address EVs or HEVs.

**The statewide analysis performed in The Nevada Sustainable Transportation Funding Study assessed what a $50 per tire excise tax would generate, assuming four new tires were purchased every 5 years, which was $100 million the first year and $1.7 billion over the following 20 years. The conclusion drawn in the Study was that it would not keep pace with highway usage.**

24 Nevada Sustainable Transportation Funding Study, 2022, Page 66, https://nvtransportationfuture.org/report.
25 ibid.
26 ibid.
27 ibid

# ANALYSIS OF EXISTING STATUTORY AND REGULATORY AUTHORITY IN NEVADA

Existing statutory provisions were examined to determine whether policy measures previously approved by the Legislature may be available to be implemented locally to assist the Regional Transportation Commission of Washoe County in generating revenue to offset the impact of EVs and HEVs on road funding. Following this review, two potential and available provisions exist, one of which is subject to approval by registered voters in Washoe County and the Board of County Commissioners.

**Supplemental Governmental Services Tax**

The Nevada Department of Motor Vehicles currently collects the Basic Governmental Services Tax on each vehicle at the time of the annual registration of that vehicle. Pursuant to NRS 371.040, the Basic Governmental Services Tax is 4 cents on each dollar of vehicle valuation, as determined by the Department. *Nevada Revised Statutes* 371.050 directs that the Department must determine the valuation of vehicles upon the basis of 35 percent of the manufacturer's suggested retail price (MSRP), excluding options and extras, as of the time the make and model for that year is first offered for sale in Nevada.

Subsection 1 of NRS 371.043 states that a:

> ...board of county commissioners of a county whose population is 100,000 or more but less than 700,000 [Washoe County] may by ordinance, but not as in case of emergency, impose a supplemental governmental services tax of not more than 1 cent on each $1 of valuation of the vehicle for the privilege of operating upon the public streets, roads and highways of the county on each vehicle based in the county except:
>
> (a) A vehicle exempt from the governmental services tax pursuant to [Chapter 371 of NRS]; or
>
> (b) A vehicle subject to NRS 706.011 to 706.861 inclusive, which is engaged in interstate or intrastate operations.

Imposing the Supplemental Governmental Services Tax in Washoe County requires approval of an ordinance by the Washoe County Board of County Commissioners, not approval by the voters, as is the case for all other counties in Nevada (NRS 371.045).

Under subsection 3 of NRS 371.043, the county shall use the proceeds of the Supplemental Governmental Services Tax, if imposed. to pay the cost of construction and maintenance of sidewalks, streets, avenues, boulevards, highways, and other public rights-of-way used primarily for vehicular traffic. Subsection 4 of this statute also states the county may expend any proceeds of the tax under an interlocal agreement between the county and the RTC concerning any projects to be financed with the proceeds of the tax or the operating costs of the county and any other costs to carry out the governmental functions of the county. An exception to these targeted uses is the ability of the county to use the proceeds to purchase certain residential property that is adversely affected by highway construction.

Pursuant to NRS 371.047, the county may also use the proceeds of a Supplemental Governmental Services Tax for certain purposes related to the construction of a highway with limited access. As clarified in subsection 2 of NRS 482.181, any Supplemental Governmental Services Tax collected for a county must be distributed only to the county for use as provided in NRS 371.043.

The Supplemental Governmental Services Tax, if implemented, would require all motor vehicle owners in the county, including owners of EVs and HEVs, to pay the tax upon registration of the motor vehicle, except for certain motor carriers or vehicles exempt from the governmental services tax pursuant to subsection 1 of NRS 371.043.

Figure 10 displays the calculation of the Basic Governmental Services Tax and the Supplemental Governmental Services Tax, if implemented in Nevada. Under this example, a vehicle owner with a Manufacturer's Suggested Retail Price (MSRP) of $30,000 would pay the Basic Governmental Services Tax of $357 under current law. If implemented, the Supplemental Governmental Services Tax would amount to $89. Therefore, the vehicle owner would pay $479 ($33 Registration Fee, $357 Basic Governmental Services Tax, $89 Supplemental Governmental Services Tax).


## Figure 10. Example of the Governmental Services Tax Calculation

**Vehicle is 2 years old with an original MSRP of $30,000**

| | |
|---|---|
| $30,000 x 35% | DMV Valuation (NRS 371.050) |
| $10,500 x 85% | DMV Valuation is depreciated 15 percent (NRS 371.060) |
| $8,925 | Amount Used to Calculate Governmental Services Taxes |

| | |
|---|---|
| $8,925 x $.04 | Basic Governmental Services tax rate (NRS 371.040) |
| $357 | Basic Governmental Services Tax |

| | |
|---|---|
| $8,925 x $.01 | Supplemental Governmental Services tax rate (NRS 371.043) |
| $89 | Supplemental Governmental Services Tax |

It should be noted that Washoe County previously implemented the Supplemental Governmental Services Tax in 1992 as authorized under AB 104 in 1991, known as "fair share" legislation. The tax was phased out by the end of fiscal year 2005 and has not been implemented since then.

If the county were to consider implementing this tax, it is recommended that it do so in coordination with the DMV to determine the lead time necessary to change the DMV's information technology system, which calculates the amount of Governmental Services Tax due on each vehicle, and to effect policy or procedural changes to collect and distribute the tax.

The DMV provided information regarding the Basic Governmental Services Tax, which was distributed to Washoe County to gauge how much the Supplemental Governmental Services Tax may generate if implemented. In fiscal year 2024, approximately $39 million was distributed to Washoe County in Basic Governmental Services Tax. Since the one-cent Supplemental Governmental Services tax represents one-fourth of the four-cent Basic Governmental Services tax, one may conclude that the Supplemental Governmental Services Tax would generate approximately $10 million per year. We note that the Supplemental Governmental Services Tax would likely generate a greater amount since the Basic Governmental Services Tax amount noted above represents the net amount after distributions to the State Highway Fund and State Education Fund.

The Supplemental Governmental Services Tax would better approximate one-fourth of the amount collected from owners of motor vehicles in Washoe County, and not the amount distributed. To better approximate the amount of Supplemental Governmental Services Tax that may be generated, information on the amount of Basic Governmental Services Tax collections in Washoe County should be obtained from the DMV.

### County Optional Sales Tax

*Nevada Revised Statutes* 377A.020 and 377A.030 provide that the board of county commissioners of any "county may enact an ordinance imposing a tax of one-half of 1 percent to support a public transit system; for the construction, maintenance and repair of public roads; for the improvement of air quality; or for any combination of those purposes." Subsection 2 of NRS 377A.020 further provides that the board of county commissioners' approval of the question of whether to impose the tax via ordinance must first be submitted to and approved by the voters at a general election.

Washoe County currently imposes a three-eighths of 1 percent local sales and use tax under NRS 377A.030 (1b), which is one-eighth of 1 percent less than the one-half of 1 percent allowed in statute. Washoe County most recently submitted a ballot question to the voters (WC-2) in 2002 to increase the local sales and use tax by one-eighth of 1 percent up to the three-eighths of 1 percent currently imposed. This question was approved by 57.4 percent of the vote. Based on the RTC Annual Budget for fiscal year ending June 30, 2025, the RTC allocates sales tax collections between its Street and Highway Program and Public Transit and Paratransit Program. In FY 2023, the three-eighths of 1 percent sales tax rate generated just short of $43.9 million. Based on the amount collected, an increase in the sales tax rate by one-eighth of 1 percent would have generated approximately $14.6 million in that fiscal year.

An increase in the sales tax rate would impact all voters in the county who pay the sales and use tax. If this increase were imposed in Washoe County, the sales tax rate would be 8.39 percent, making it the highest in the state.

# POLICY CONSIDERATIONS

Each policy intervention discussed in detail in this report—additional registration fees, the VMT tax, and an excise tax on kilowatt hours sold—requires a change to Nevada statute before implementing the policy intervention. Such statutory changes require consideration and approval by the Nevada Legislature and the Governor. While this study focuses on policy options beneficial to Washoe County and the RTC, the intervention could potentially benefit all counties and the State if the Legislature considers the statewide application of enabling legislation. The analysis below examines the key priorities in considering the optimal policy. Potential for generating revenue represents one of the key factors examined; however, due to the limited availability of data—namely kilowatt hours dispensed at charging stations statewide—the revenue generating potential of the electric charging station tax could not be estimated with any degree of accuracy. We therefore focus our discussion of that intervention on qualitative factors.

### Key Priorities Used to Evaluate Possible Policy Considerations

We relied on five factors or priorities to evaluate and form considerations for the optimal policy to pursue. Those factors are as follows:

- Timeliness of implementation;
- Cost of implementation;
- Revenue generation;
- Environmental effects; and
- Equity among taxpayers.

Timeliness of implementation considers the time it takes to implement the policy from when it becomes law. This is essential since the number of EV and HEV owners has grown significantly and is impacting motor vehicle fuel tax collections yearly. The cost of implementation is also a key consideration since the cost associated with implementation and operation would potentially affect the revenue realized from a policy measure, assuming that a state agency retains a portion of the proceeds for administration. The greater the cost to implement and operate a program, the higher the tax or fee may be needed to generate sufficient revenue to offset the administration cost. Revenue generation represents the effectiveness of the policy in generating future revenues. The revenue-generating aspect of a policy relates to the environmental effects and the consideration of whether the level of tax or fee generates increased revenue but disincentivizes EV or HEV purchases. Lastly, equity among taxpayers considers whether the tax or fee disproportionately impacts taxpayers with a greater economic burden.

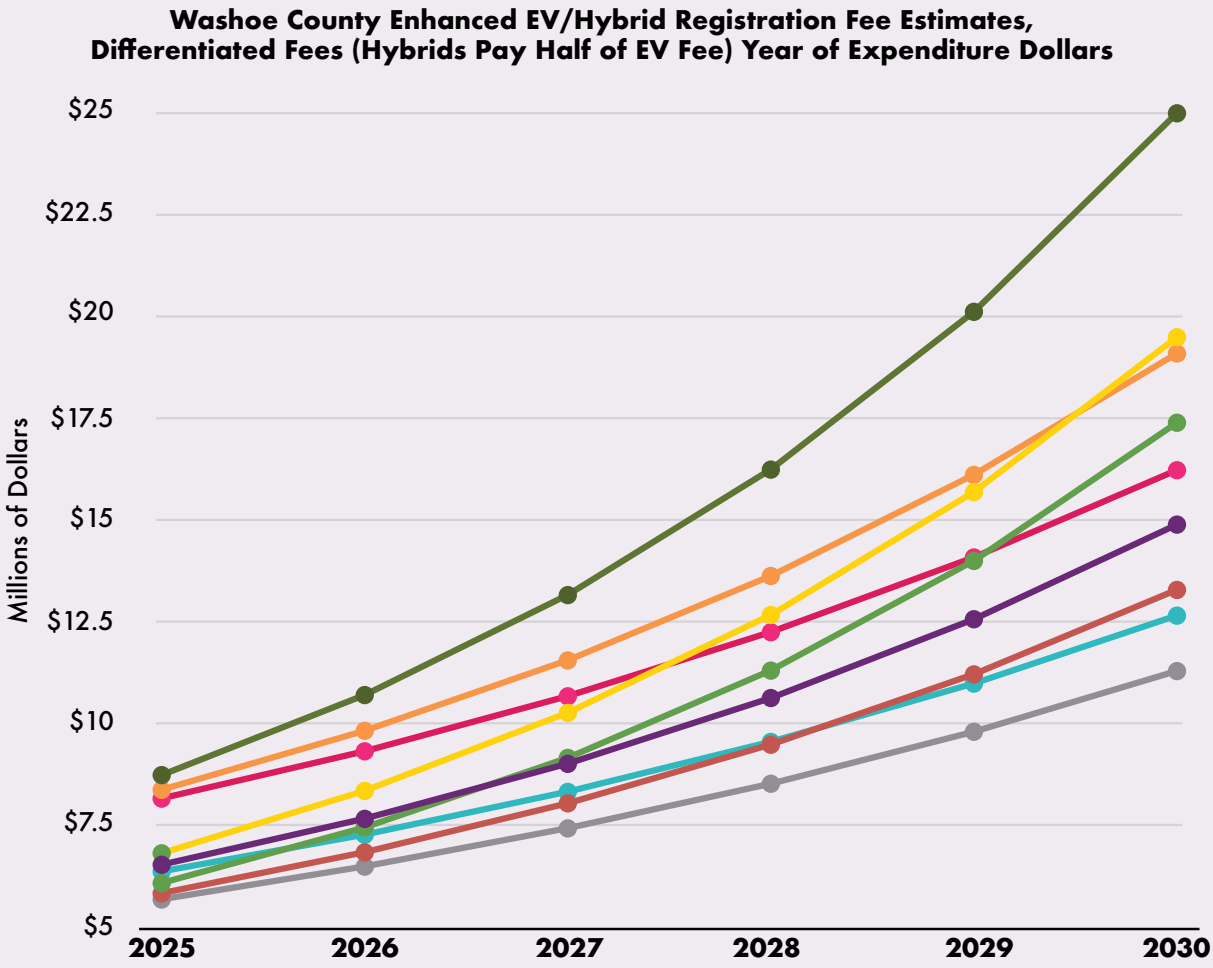
### Additional Registration Fees

When considering possible additional registration fees, three fee levels were used to project and examine the revenue potentially generated from each. These include a "low" fee of $295.66, a "mid-level" fee of $331.40, and a "high" fee of $425.04.

The low fee represents a calculation of total statewide motor vehicle fuel tax collections per gasoline-powered vehicle. The mid-fee was obtained from the MIT Mobility Initiative research on replacing the gas tax.[28] Lastly, the high fee is based on peak motor vehicle fuel tax collections going forward. Under each scenario, we estimated the additional registration fee for HEVs to be one-half the amount of the EV fee. Suppose additional registration fees were established on EVs and HEVs, using one of these fees, assuming different growth rates in new EVs and HEVs. In that case, the projected revenue is displayed and illustrated graphically in Figure 11. The additional registration fee in each of these scenarios provides varying growth in revenue to Washoe County as the number of EVs and HEVs grows.

28 MIT Mobility Initiative and JTL Transit Lab, "Replacing the Gas Tax, Leveraging the Electric Vehicle Transition To Build a Stronger Transportation Funding System in the United States, July 2023, Page 71, https://www.mmi.mit.edu/_files/ugd/29d096_eb9d66f3b2394eb29e1a76ae9c8be156.pdf.

## Figure 11. Estimated Revenues Generated from Additional Registration Fees in Washoe County (in millions)




| Registration Rate/Fee | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Low Reg, Low Fee | $5.7 | $6.5 | $7.4 | $8.5 | $9.8 | $11.3 |
| Low Reg, Mid Fee | $6.4 | $7.3 | $8.3 | $9.5 | $11.0 | $12.7 |
| Low Reg, High Fee | $8.1 | $9.3 | $10.7 | $12.2 | $14.1 | $16.2 |
| Mid Reg, Low Fee | $5.8 | $6.8 | $8.0 | $9.5 | $11.2 | $13.3 |
| Mid Reg, Mid Fee | $6.5 | $7.7 | $9.0 | $10.6 | $12.6 | $14.9 |
| Mid Reg, High Fee | $8.4 | $9.8 | $11.5 | $13.6 | $16.1 | $19.1 |
| High Reg, Low Fee | $6.1 | $7.4 | $9.2 | $11.3 | $14.0 | $17.4 |
| High Reg, Mid Fee | $6.8 | $8.3 | $10.3 | $12.7 | $15.7 | $19.5 |
| High Reg, High Fee | $8.7 | $10.7 | $13.2 | $16.2 | $20.1 | $25.0 |

### FEE LEVEL

**Low:** $295.66 (average gas tax revenue/vehicle in Nevada)
**Mid:** $331.40 (average light duty vehicle gas tax)
**High:** $425.04 (average Washoe County gas tax revenue/vehicle 8 years solvent)

### REGISTRATION GROWTH RATE

**Low:** Lowest of previous 4 years
**Mid:** Average of previous 4 years
**High:** Highest of previous 4 years

Each of these fees, if imposed, provides additional revenue under each scenario of vehicle registration growth beyond what is currently collected for EVs and HEVs. Therefore, this policy meets the priority of revenue generation. The policy of imposing an additional registration fee on EVs and HEVs also presents an option that is less costly to implement, since the basic framework of collecting fees on vehicles at annual registration renewal periods is already established. The Legislature would largely determine the implementation timeline with input from the DMV. It is not certain what this timeline may be, but we believe this policy could be implemented in a shorter timeframe than the other policy interventions discussed in this section.

The expansion of EVs and HEVs has positive effects on the environment by emitting fewer carbon pollutants; however, paying for wear and tear on the roads is also an important priority. Suppose the additional registration fee was higher than what an average vehicle consumes in gasoline. In that case, it may be more difficult to gain public acceptance of the cost and detract from the positive economic benefit of EV ownership. Since the motor vehicle fuel tax is indexed in Washoe County, it may be logical to index the registration fee each year, particularly if it is based on fuel tax paid by gas-powered vehicles. Lastly, the fee would provide equity among those drivers purchasing gasoline and paying tax, and those EV owners who do not, and to a lesser extent, HEV owners who pay a lesser amount.

### Vehicle Miles Traveled Tax

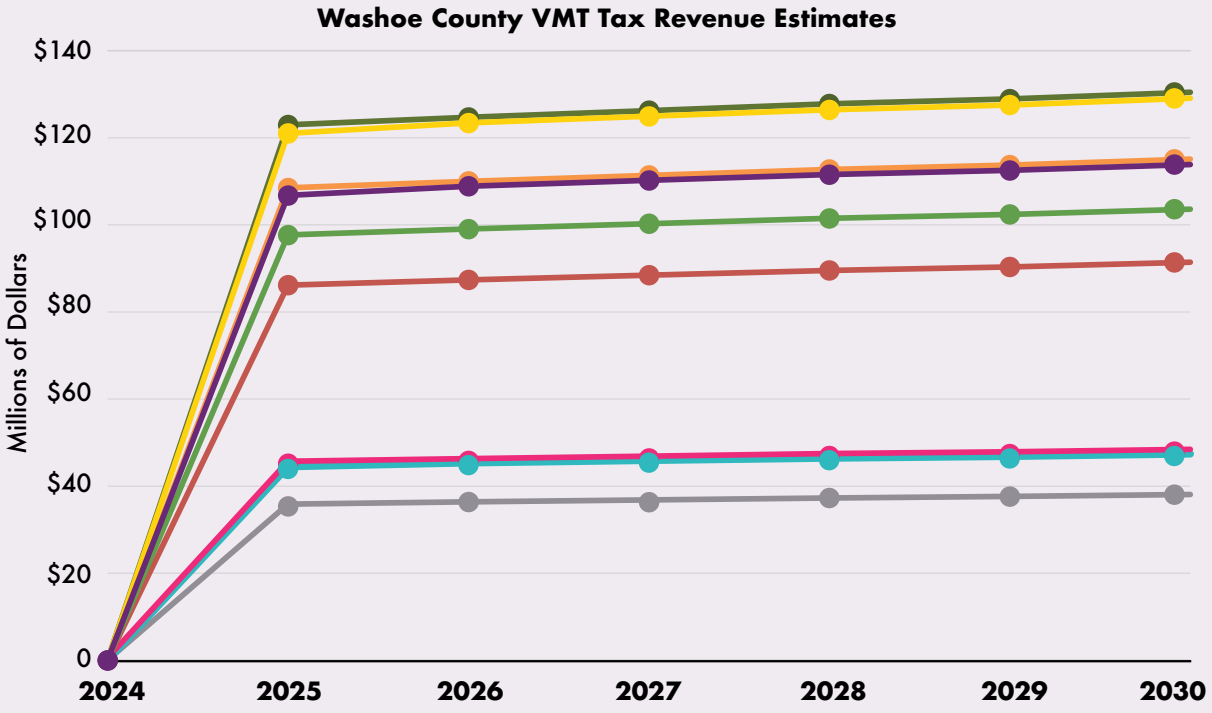
Similar to the calculation used for additional registration fees, three per-mile rates were calculated to estimate revenue for a possible VMT tax. These include a "low" fee of $0.016, a "mid"-fee of $0.04, and a "high" fee of $0.045.

The low fee is an average VMT fee from those states that impose this tax. The mid-fee is calculated by dividing fuel taxes collected and distributed to the RTC by vehicle miles traveled in Washoe County and averaging these amounts over four years from 2021 to 2024. Fuel tax collections were obtained from the RTC, while VMT data were obtained from VMT reports provided by the DMV as required under NRS 482.2175. The high fee estimate reflects the highest fuel tax per mile calculation between 2021 and 2024. This range of fees provides varying revenue levels as vehicle miles traveled increase in Washoe County. If a VMT tax had been in place in 2024 and imposed on EVs and HEVs, an estimated amount of revenue, as displayed in Table 2, would have been generated based on the VMT reported for these vehicles in 2024. We also applied the VMT Tax rate to all registered vehicles based on an estimate of low, mid, and high VMT, the results of which are found and graphically illustrated in Figure 12 on the following page.

Table 2. Estimated VMT Tax Revenue for EVs and HEVs in 2024 (Washoe County)

| VMT Tax Rate | VMT Tax Revenue |
|---|---|
| **EVs** | |
| $0.016 | $1,110,838 |
| $0.040 | $2,752,094 |
| $0.045 | $3,096,106 |
| **HEVs** | |
| $0.016 | $1,725,068 |
| $0.040 | $4,312,669 |
| $0.045 | $4,851,753 |
| **Total EVs and HEVs** | |
| $0.016 | $2,825,905 |
| $0.040 | $7,064,763 |
| $0.045 | $7,947,859 |

## Figure 12. VMT Tax Revenue for Estimated Miles Traveled on all Registered Vehicles in Washoe County (in millions)




| Tax Rate/VMT | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Low Tax, Low VMT | $35.89 | $36.39 | $36.84 | $37.29 | $37.63 | $38.07 |
| Low Tax, Mid VMT | $44.47 | $45.35 | $45.90 | $46.45 | $46.86 | $47.42 |
| Low Tax, High VMT | $45.18 | $45.81 | $46.38 | $46.95 | $47.37 | $47.93 |
| Mid Tax, Low VMT | $86.18 | $87.39 | $88.47 | $89.56 | $90.36 | $91.43 |
| Mid Tax, Mid VMT | $106.79 | $108.89 | $110.23 | $111.56 | $112.53 | $113.89 |
| Mid Tax, High VMT | $108.50 | $110.02 | $111.38 | $112.75 | $113.75 | $115.11 |
| High Tax, Low VMT | $97.69 | $99.05 | $100.28 | $101.51 | $102.42 | $103.63 |
| High Tax, Mid VMT | $121.04 | $123.43 | $124.95 | $126.45 | $127.55 | $129.09 |
| High Tax, High VMT | $122.98 | $124.70 | $126.25 | $127.80 | $128.94 | $130.47 |

### TAX RATE

**Low:** 1.6 cents/mile, which is average of other states' programs
**Mid:** 4.0 cents/mile, which is equivalent to gen gas rev on average year in Washoe County (Pax, Light Duty, and Heavy Duty)
**High:** 4.5 cents/mile, which is the highest equivalent to gen gas rev in Washoe County in the last 4 years

### VEHICLE MILES TRAVELED

**Low:** Estimated registered vehicles multiplied by the lowest VMT/vehicle over the last 4 years of real data
**Mid:** Estimated registered vehicles multiplied by a weighted moving average from preceding 4 years (.05, .15, .3, .5 weights respectively)
**High:** Estimated registered vehicles multiplied by the highest VMT/vehicle over the last 4 years of real data

There are different methods of implementing the VMT policy that may affect the level of revenue collected, which are not reflected in the tables or graphs. These methods include: (1) whether the state allows motorists to pay an additional registration fee instead of the VMT tax, as is the case in Utah, Oregon, and Virginia; (2) whether the VMT tax paid annually is capped at the additional registration fee amount; and (3) if the tax were applied to internal combustion engine owners, whether such owners would receive a credit towards the VMT Tax for taxes paid when purchasing fuel.

The VMT Tax would provide additional revenue to the County, but the amount distributed to the County after the cost of administration is deducted is uncertain. We assume the DMV would likely collect the tax since it currently collects VMT data and administers motor vehicle laws. The Department's operations are primarily funded with Highway Fund Appropriations under NRS 482.180, and its administration cost for the collection of any license or registration fees is limited to 27 percent of the total proceeds collected (this percentage limitation is in effect through June 30, 2027, then decreases to 22 percent). Suppose the Legislature approved the distribution of a portion or all funding collected from the VMT Tax to the County. In that case, it is anticipated that the law would be constructed so that the DMV would retain a portion of the proceeds for its administration cost, since it is not a cost of collection of proceeds deposited to the State Highway Fund.

The timeliness and cost of implementation come into question as well. In examining other state programs, we noted that third-party vendors administer all or a portion of the program. Whether these vendors were involved in program implementation and the cost to those states is not certain. If the State decided on a method of collecting VMT other than through self-reporting and instead developed it in-house, the cost of implementation would include information system programming, employee training, possible development of regulations and procedures, and the cost of VMT data collection. These cost factors also impact the timeliness of implementation since programming, training, and regulation development take additional time and effort.

Equity among taxpayers would be enhanced since they would be paying a commensurate amount for the use and wear on the roads on which they drive. The environmental effects may not be affected as long as the VMT Tax does not become a disincentive to EV ownership. It appears that other states have been judicious in not setting and collecting disproportionate amounts from EV owners, as evidenced by the amount of the "in-lieu" additional registration fees that have been established in other states (Utah, $143.25; Oregon, $115; and Virginia, $128.14).

**Electric Charging Station Tax**

The Electric Charging Station Tax is challenging to estimate regarding revenue generation since data on the number of charging stations and dispensed kilowatt hours is unavailable. This policy intervention has the potential to realize revenue for road use by out-of-state EV owners driving in Nevada, who would not otherwise pay taxes for using Nevada roads, by collecting taxes for kWh dispensed when their vehicles are charging. The ECST is not the sole solution for capturing revenue from EVs, since the other states that impose the electric charging station tax also impose additional registration fees on EV owners.

It is possible that public charging stations installed throughout the county are not capable of tracking kWh dispensed. We noted that other states delayed the implementation of their law to allow owners time to retrofit their charging stations with meters.

We anticipate that the Department of Taxation would collect the ECST. However, the Department of Agriculture's regulatory involvement through its Division of Measurement Standards may be necessary to certify the accuracy of meters tracking kWh dispensed from charging stations.

It is not clear whether an electric charging station tax would result in detrimental environmental effects.

If a new law were structured similarly to other states, EV owners could charge their vehicle at home without incurring the tax, thus not disincentivizing EV ownership. The tax also maintains equity among taxpayers since only EV owners would pay the tax as their vehicle batteries discharge while using the roads.

An additional registration fee on EVs and HEVs could be considered as a first step in realizing tax revenue from these vehicles under an ECST model.

If an additional registration fee on EVs had been implemented in 2024 at the low fee amount of $295.66, gross revenue of $2.7 million could have been collected from EV owners and gross revenue of approximately $2.2 million from HEV owners (at one-half the EV fee or $147.83), for a total of $4.9 million. Further, this amount would increase in the future as the numbers of EVs and HEVs grow. A $295.66 fee would also be comparable to other states and represent an equivalent fuel tax paid by internal combustion engine owners. As the number of EVs and HEVs continue to increase as a percentage of the total vehicle fleet, an alternative approach to revenue collection may need to be considered to fairly tax road use by EVs and HEVs. On the following page is a decision matrix that weighs the priorities considered and speaks to the benefits of the additional registration fee.

## Table 3. Decision Matrix

| Weight | Priority | VMT | Enhanced Registration Fee | KwH |
|---|---|---|---|---|
| 0.35 | **Speed of Implementation** | 4 | 8 | 4 |
| | Unweighted score | 0.5 | 1 | 0.5 |
| | Weighted Score | 0.175 | 0.35 | 0.175 |
| 0.45 | **Revenue Generation** | 10 | 8 | 7 |
| | Unweighted score | 1 | 0.8 | 0.7 |
| | Weighted Score | 0.45 | 0.36 | 0.315 |
| 0.05 | **Environmental Effects** | 8 | 7 | 8 |
| | Unweighted score | 1 | 0.875 | 1 |
| | Weighted Score | 0.05 | 0.044 | 0.05 |
| 0.05 | **Equity** | 5 | 10 | 8 |
| | Unweighted score | 0.5 | 1 | 0.8 |
| | Weighted Score | 0.025 | 0.05 | 0.04 |
| 0.1 | **Cost of Implementation** | 6 | 8 | 3 |
| | Unweighted score | 0.75 | 1 | 0.375 |
| | Weighted Score | 0.075 | 0.1 | 0.038 |
| | **Total Score** | **0.775** | **0.904** | **0.618** |
| | **Rank** | **2** | **1** | **3** |

# REPORT LIMITATIONS

This study relies on data available from various sources such as the Nevada DMV, RTC of Washoe County, and the U.S. Department of Energy, Alternative Fuels Data Center. Data from these sources was not available for similar years. For example, taxable gallons of motor vehicle fuel sold, and taxes collected are available for prior years (FY 2016 and prior), but information on vehicle miles traveled is not available until 2021. Likewise, 2023 is the most recent year for which data on nationwide vehicle registrations is available from the U.S. Department of Energy, Alternative Fuels Data Center.


In evaluating the revenue generating potential of the Supplemental Governmental Services Tax, information on the amount of Basic Governmental Services Tax distributed to Washoe County was provided by the DMV, not the amount collected, as requested. The amount of Basic Governmental Services Tax collected from Washoe County motorists would better approximate the revenue generating potential of the Supplemental Governmental Services Tax.


Data regarding the number of electric vehicle charging stations and the number of kilowatt hours dispensed from those stations is not available, which limited our evaluation of this policy intervention to qualitative factors.

Under the Policy Considerations subsection, we evaluate the pros and cons of the three policy interventions used in other states. Our evaluation was limited to revenue generating potential, and qualitative factors since the cost to implement and administer these policy interventions is not available and, therefore, could not be analyzed further.

# FUTURE RESEARCH

The fleet of vehicles registered in Washoe County includes those that are powered by traditional fuel sources such as motor vehicle fuel and diesel as well as EVs and HEVs. As the number of EVs increase as a percentage of the total fleet, the impact on motor vehicle fuel tax will be even greater and the proper balance of policy interventions should be reexamined to ensure the amount of revenue is generated to maintain and construct roads in Washoe County. There may also be a need in the future to examine the implementation of multiple policy interventions in order to take into consideration those motorists who visit and use the roads in Washoe County from other states but do not pay taxes.


# CONCLUSION

The growth in the numbers of EVs and HEVs represents a solution to reducing carbon emissions in the county and the state. Nevertheless, these vehicles present a challenge to the county and other jurisdictions, as EV and HEV users do not pay for the use of maintained roads as fuel tax users do. We have examined the increase in EVs and HEVs usage, which continues to grow, presenting an ever-increasing dilemma for the county and state in balancing the need to build and maintain roads while meeting clean air standards. The decision of whether to tax EVs and HEVs and, if so, by how much must be balanced so as to avoid establishing a disincentive to increasing the use of one of the most effective means of reducing carbon emissions, the electric vehicle, must be carefully evaluated.

Other methods of taxation may be discovered and implemented that have not been discussed or analyzed in this report. Studying this issue further is essential to utilize the best evidence-based solutions available.

# APPENDICES

## APPENDIX A: LEGISLATOR INTERVIEW QUESTIONS

1. **Are you familiar with how motor vehicle fuel (otherwise known as gas) tax collections work in Washoe County?**

2. **If so, can you describe your level of familiarity?**

3. **Other jurisdictions have undertaken measures to replace motor vehicle fuel taxes with other taxes or fees, partly due to the increasing number of electric and hybrid vehicles used on the road and improved fuel efficiency in internal combustion engines. What do you understand about the various legislative actions taken in other jurisdictions to replace motor vehicle fuel taxes?**

4. **Based on your understanding today, what is your willingness to implement a policy for motor vehicle fuel tax replacement in Washoe County to address the issue of electric vehicles not paying gas tax?**

5. **Is there anything else you want to share regarding fuel tax or electric vehicles?**

**(Interviews conducted in January and February 2025)**

# APPENDIX B: REGISTRATION FEES FOR ELECTRIC AND HYBRID VEHICLES - A STATE-BY-STATE SUMMARY

| State | Special Registration Fee | Distribution |
|---|---|---|
| Alabama | An additional annual license tax and registration fee of $203 is imposed on each battery electric vehicle. An additional license tax and registration fee of $103 is imposed on each plug-in hybrid electric vehicle. The fee is increased by $3 every fourth year beginning July 1, 2023. | The first $150 collected from the annual license tax and registration fee on each battery electric vehicle and the first $75 collected from the annual license tax and registration fee on each plug-in hybrid vehicle is distributed 66.67% to the state, 25% to counties and 8.33% to municipalities. The remainder of the fees are deposited in the rebuild Alabama fund. |
| Arkansas | In addition to the other fees required to be paid to register a vehicle there is levied an annual fee of $200 for each electric vehicle registered, $100 for each plug-in hybrid vehicle registered, and $50 for each hybrid vehicle registered. | Revenues collected are distributed to the State highway and transportation department fund (70%), the county aid fund (15%) and municipal aid fund (15%). |
| California | Commencing July 1, 2020, in addition to any other fee, an annual road improvement fee of $100 is paid for the registration of every zero-emission vehicle, model year 2020 or later. Beginning January 1, 2021, and every January 1 thereafter, the road improvement fee is adjusted in an amount equal to the increase in the California Consumer Price Index for the prior year. The current indexed fee is $118. | Revenue generated from the road improvement fee is deposited in the road maintenance and rehabilitation account after deduction of the Department of Motor Vehicles administrative costs. |
| Colorado | A $50 annual fee is collected at the time of registration on every electric motor vehicle including plug-in hybrids and is adjusted for inflation. The current indexed fee is $57.19. | $30 (adjusted for inflation) is transmitted to the highway users tax fund and $20 (adjusted for inflation) is transmitted to the electric vehicle grant fund. |

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| Georgia | In addition to any other fee, a $200 fee is imposed upon registration of an alternative fueled vehicle not operated for commercial purposes and $300 upon registration of an alternative fueled vehicle operated for commercial purposes. Fees are adjusted on an annual basis by multiplying the percentage of increase or decrease in fuel efficiency from the previous year. Plug-in hybrid owners pay the alternative fuel vehicle fee if they choose to have alternative fuel vehicle license plates. If the owner selects a different type of license plate, they will not owe the alternative fuel vehicle fee. | All the money collected is annually appropriated to the transportation trust fund. Money must be used for transportation purposes and transit projects. |
| Hawaii | Electric vehicles and alternative fuel vehicles pay an annual vehicle registration surcharge fee of $50. The surcharge is effective through June 30, 2025. | The fee is deposited to the Highway Fund. |
| Idaho | In addition to all other fees, a fee of $140 is collected on each electric vehicle registered. A fee of $75 is collected for each plug-in hybrid vehicle registered. | All fees are deposited in the highway distribution account from which 40% is distributed to local government units and 60% to the state highway account. |
| Illinois | In addition to the registration fee, an annual surcharge of $100 per year is assessed in lieu of the payment of motor fuel taxes on electric vehicle owners. | One dollar is deposited in the Secretary of State Special Services Fund, and the remainder of the fee is deposited into the Road Fund. |
| Indiana | In addition to any other fee required to register, a supplemental registration fee of $230 is required for electric vehicles. A supplemental registration fee of $77 is required for a hybrid vehicle. Both fees are increased every year based on an index factor. | The fees are deposited into the local road and bridge matching grant fund. |
| Iowa | In addition to the annual registration fee, an owner of an electric vehicle pays an annual battery electric motor vehicle registration fee of $130. An owner of a plug-in hybrid pays an annual plug-in hybrid electric motor vehicle registration fee of $65. | Revenues are deposited into the road use tax fund. |
| Kansas | For all-electric vehicles an annual registration fee of $100 is charged. For plug-in hybrid vehicles the annual registration fee is $50. | Fees are deposited into the State Highway Fund. |

| | | |
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| Kentucky | For electric vehicles an electric vehicle ownership fee of $120 is collected at the time of registration. For hybrid vehicles, $60 is collected at the time of registration. These fees are subject to an annual adjustment. | Electric vehicle ownership fees are transferred to the road fund. |
| Louisiana | A road usage fee of $110 per year is levied on each electric vehicle and a road usage fee of $60 per year is levied on each hybrid vehicle. | Seventy percent of the proceeds are deposited into the construction sub-fund of the transportation trust fund; thirty percent of the proceeds are deposited into Parish Transportation Trust Fund and distributed to local governments. |
| Maryland | Each owner of a zero-emission vehicle pays an annual surcharge of $125. Each owner of a plug-in hybrid electric vehicle pays an annual surcharge of $100. After June 30, 2025, these amounts are adjusted annually for inflation. | Proceeds are deposited in the transportation trust fund. |
| Michigan | For vehicles with an empty weight of 8,000 or less, the registration fee is increased by $140 for an electric vehicle and $47.50 for a plug-in hybrid vehicle. For vehicles with an empty weight of more than 8,000 pounds, the registration fee is increased by $240 for an electric vehicle and $117.50 for a plug-in hybrid vehicle. If the tax on gasoline is increased above 19 cents per gallon, the registration fee for electric vehicle owners is increased $5 per each 1 cent above 19 cents per gallon. For plug-in hybrid vehicles the registration fee is increased $2.50 per each 1 cent above the 19 cents per gallon. | Fees are deposited into the Michigan transportation fund. |
| Minnesota | In addition to any other taxes, a surcharge of $75 is imposed for an all-electric vehicle. | Revenue from the surcharge is deposited in the Highway User Tax Distribution Fund. |
| Mississippi | An annual tax of $150 is imposed on each electric vehicle, in addition to all other taxes. An annual tax of $75 is imposed on each hybrid vehicle in addition to any other taxes. The annual taxes are adjusted for inflation each year. | Proceeds of the taxes are apportioned in the same proportion as for gasoline and diesel taxes and shall be used solely for repair and maintenance of roads, streets and bridges. |

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| Missouri | An annual fuel decal fee of $75 is imposed on vehicles with a licensed gross vehicle weight of 18,000 pounds or less. Owners of plug-in hybrid vehicles shall pay one-half of the stated annual alternative fuel decal fee or $37.50. Beginning January 1, 2022, the fees shall be increased by 20 percent of the fee in effect on August 28, 2021, per year for a period of 5 years. The annual fees in effect January 1, 2025, are $135 for alternative fuel vehicles 18,000 pounds or less and $67.50 for plug-in hybrid vehicles. | Fees are deposited in the motor fuel tax fund. |
| Montana | For vehicles less than 6,000 pounds, the annual registration fee for electric vehicles is $130 and for plug-in vehicles $70. For vehicles at least 6,000 pounds but more than 10,000 pounds, the annual registration fee is $190 for electric vehicles and $100 for plug-in hybrid vehicles. For vehicles greater than 10,000 pounds but not greater than 26,000 pounds, the annual registration fee is $340 for electric vehicles and $210 for plug-in hybrid vehicles. For vehicles greater than 26,000 pounds, the annual registration fee is $1,100 for electric vehicles and $700 for plug-in hybrid vehicles. | All fees are deposited to the highway restricted account. |
| Nebraska | A fee of $150 is required for the registration of each motor vehicle powered by alternative fuel. For plug-in hybrids the fee is $75. | Fees are remitted to the Highway Trust Fund. |
| New Hampshire | Battery electric vehicles are assessed a surcharge of $100 at annual registration. Plug-in hybrid vehicles are assessed a surcharge of $50. | Assessments are deposited in the Highway Fund. |
| New Jersey | Beginning July 1, 2024, and ending June 30, 2025, an additional annual fee of $250 is imposed on every zero-emission vehicle to be registered. The additional annual fee increases to $260 beginning July 1, 2025, $270 beginning July 1, 2026, $280 beginning July 1, 2027, and $290 beginning July 1, 2028, and for each year thereafter. | Fees are credited to the Transportation Trust Fund Account. |

| | | |
|---|---|---|
| North Carolina | At the time of registration, the owner of a plug-in electric vehicle that is not a low-speed vehicle and that does not rely on a nonelectric source of power shall pay a fee of $214.50. A fee of $107.25 is paid by the owner of a plug-in hybrid vehicle at the time of registration. Fees are adjusted for inflation beginning July 1, 2020, and every four years thereafter. | Eighty-five percent of the revenues are deposited into the Highway Fund and 15 percent is deposited into the Highway Trust Fund. |
| North Dakota | An electric road use fee of $120 is collected for each electric vehicle registered. A plug-in hybrid road use fee of $50 is collected for each plug-in hybrid vehicle registered. | Fees are deposited into the Highway Tax Distribution Fund. |
| Ohio | An additional fee of $200 is collected for each registration of a battery electric motor vehicle. For a plug-in hybrid vehicle an additional fee of $150 is collected. For a hybrid vehicle, an additional fee of $100 is collected. | Fifty-five percent of the fees collected are distributed to the Highway Operating Fund. Forty-five percent are distributed to the Gasoline Excise Tax fund to be distributed as follows: 42.86 percent to municipalities, 37.15 percent to counties, 20 percent to townships. |
| Oklahoma | At the time of registration, an increased fee, based on the gross weight of the vehicle for electric and plug-in hybrid vehicles as follows:<br>• Gross weight less than 6,000 pounds<br>- Electric $110<br>- Plug-in hybrid $82<br>• Gross weight at least 6,000 pounds but not greater that 10,000 pounds<br>- Electric $158<br>- Plug in hybrid $118<br>• Greater than 10,000 pounds but not greater than 26,000 pounds<br>- Electric $363<br>- Plug-in hybrid $272<br>• Greater than 26,000 pounds<br>- Electric $2,250<br>- Plug-in hybrid $1,687 | Until July 1, 2027, revenues are apportioned to the Driving on Road Infrastructure with Vehicles of Electricity (DRIVE) Revolving Fund. Beginning July 1, 2027, 85 percent of the fees are apportioned to the DRIVE Revolving Fund and 15 percent is apportioned to the various counties of the state. |

| | | |
|---|---|---|
| Oregon | Electric vehicles pay an additional $115 in addition to the registration fee of $43. An electric vehicle or a vehicle with a rating of 40 miles per gallon or greater, for which an application has been submitted and approved to pay the per-mile road usage charge is not subject to the additional fee of $115. | Revenues support state and local transportation systems through road and bridge improvements, enhanced safety measures and increased transit options. |
| Pennsylvania | An electric vehicle road user charge of $200 is due upon registration in 2025. The amount increases to $250 in 2026. On January 1, 2027, and each January 1 thereafter, the fee is adjusted for inflation. For plug-in hybrid vehicles, the fee is $50 (25 percent of the road user charge for electric vehicles) in 2025 and $62.50 in 2026 and adjusted for inflation in subsequent years. | Money is deposited in the Motor License Fund for bridge improvement projects. |
| South Carolina | Owners of electric vehicles pay a biennial road use fee of $120. Hybrid vehicle owners pay a biennial road use fee of $60. | Fees are credited to the Infrastructure Maintenance Trust Fund and used to maintain and improve the existing highway system. |
| South Dakota | Owners of electric vehicles pay an annual fee of $50. | Fees are deposited in the State Highway Fund. |
| Tennessee | An additional fee of $200 is charged for all electric vehicles at the time of registration from January 1, 2024, to January 1, 2027. The fee increases to $274 Beginning January 1, 2027, and is adjusted for inflation beginning January 1, 2028, and for each subsequent year. For plug-in hybrid vehicles, an additional fee of $100 is required at the time of registration. After January 1, 2028, the fee is adjusted for inflation. | Fees are apportioned as follows:<br>• State Highway Fund: 63.4 percent<br>• Municipalities: 11.8 percent<br>• Counties: 22 percent<br>• General Fund: 2.8 percent |
| Texas | Owners of a new electric vehicle with a gross weight of 10,000 pounds or less pay an additional fee of $400. For registration renewals, owners pay $200. | Fees are deposited to the State Highway Fund. |

| | | |
|---|---|---|
| Utah | The registration fee for electric vehicles is $138.50. For plug-in hybrid vehicles the registration fee is $60.25 and for gas hybrid vehicles it is $23.25. Beginning in 2024, fees are adjusted annually for inflation. Electric vehicle owners can choose to enroll in the Road Usage Charge Program in lieu of paying an annual flat fee. | Fees are deposited into the Transportation Fund. |
| Vermont | An annual EV infrastructure fee of $89 is collected for each battery electric vehicle. An annual EV infrastructure of $44.50 is collected for a plug-in hybrid vehicle. | The fees are allocated to the Transportation Fund for programs administered by the Agency of Commerce and Community Development to increase access to level 1 and level 2 electric vehicle supply equipment charging ports at workplaces in multi-unit dwellings. |
| Virginia | Electric vehicle owners pay a Highway User Fee of $128.14 in addition to a registration fee. The Highway User Fee is determined by multiplying 85 percent by the amount of fuel taxes paid on fuel used by a vehicle with a combined fuel economy of 23.7 miles per gallon for the average number of miles traveled. Owners of electric vehicles subject to the Highway User Fee may pay a mileage-based fee in lieu of the Highway User Fee. | Revenues are deposited into the Highway and Maintenance Operating Fund and must be used for district transportation purposes. |
| Washington | For electric vehicles, $150 is due at the time of annual registration renewal. Hybrid vehicles pay a vehicle transportation electrification fee of $75. | The first $1 million is deposited into the Multimodal Transportation Account, then 70 percent to the Motor Vehicle Fund, 15 percent to the Transportation Improvement Fund and 15 percent to Rural arterial Trust Account. The vehicle transportation electrification fee is deposited in the electric vehicle account until July 1, 2025, when the fee must be deposited to the motor vehicle account. |

| | | |
|---|---|---|
| West Virginia | The annual registration fee for vehicles operating exclusively on electricity is $200. For hybrid vehicles, the annual registration fee is $100. | Revenues from fees on electric vehicles are deposited into the Transportation Fund. Revenues from fees on hybrid vehicles are deposited into the State Road Fund. |
| Wisconsin | For electric vehicles, a surcharge of $100 and an additional $75 is collected for each vehicle registered. For a hybrid vehicle, a surcharge of $75 is collected for each vehicle registered. | Fees are deposited into the state's transportation fund. |
| Wyoming | An annual fee of $200 for a plug-in electric vehicle. | Revenues are deposited into the state highway fund. |

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