



CLEAN FUELS
OHIO
OHIO'S CLEAN TRANSPORTATION ADVOCATE

TAX FACTS



Electric vehicle (EV) drivers pay almost twice as much tax as owners of gas-powered vehicles. Then they are hit again with utility taxes for the electricity they use.



Plug-in hybrid vehicle (PHEV) are triple taxed, since they already pay gas taxes plus utility taxes on top of the fee.



Hybrid electric vehicle (HEV) drivers already pay gas taxes, in some cases more per mile than conventional vehicles, then are punished with the HEV fee on top of that.

Studies in other states show up-front fees of \$85 or more could slow the adoption of electric vehicles by as much as 20% over the first few years. [1]

In fact, Georgia has experienced an actual decline in EV registrations following the imposition of its \$200 up-front fee. [2]

Ohio's Transportation Budget Should include a reduction in EV fees

Ohio lawmakers have a chance to preserve our auto industry for future generations in the transportation budget. The current fees are among the highest in the country and send a message to auto manufacturers that the state is not open to looking toward the future. While EV owners want to pay their fair share for using the roads, the current EV fee is an excessive tax burden, well beyond what owners would pay with a gas tax.

EV FEE DISCOURAGES ADOPTION

- Ohio gas taxes are based on the amount of fuel consumed times the tax per gallon. Comparable gas-powered vehicles pay between \$100 and \$150 per year. Compared with the pay-as-you-drive gas tax, these up-front fees are regressive and hit seniors and moderate-income consumers especially hard.
 - Nearly 70% of consumers want to consider purchase of used vehicles, and an increasing number of low-cost used EVs are available including Chevrolet Bolt and Nissan LEAF.
 - EV model availability is rapidly expanding. Lower cost sedans are available as are new pickups. The excessive fee hinders consumers in choosing these models.
 - Punitive fees are especially damaging to low to moderate income consumers and their ability to choose used EVs.

EV FEE IS NOT HELPING THE ROAD FUNDING SHORTFALLS

- Revenue from EV fees represents less than one percent of the Ohio road fund revenue. [3]
- Today, there are less than 20,000 registered EVs and PHEVs in Ohio – about 0.22% of all registered passenger vehicles. [4]
- The existing EV and PHEV fees will produce only about \$3 million per year, and less if registrations take a hit.

EV FEE IS A BLOW TO JOBS AND OHIO'S COMPETITIVENESS

- Ohio's current EV fee signals the state's unfriendliness to trends in the auto sector. Automakers are investing \$300 billion in EVs over the next decade and pay close attention to these signals when making decisions about their facilities and jobs.
- EV ownership is rapidly increasing in the U.S. and globally. Auto and related supply chain manufacturing jobs will be tied to EV growth.
- Ohio's automotive sector currently employs over 108,000 people [5].
- In 2018, the number of people employed in the EV sector increased by nearly 17% to 16,646 Ohioans. [6]
- Ohio EV sales grew by 28% from 2016 to 2017, and 113% from 2017 to 2018.

OHIO'S DIRECT COMPETITORS FOR AUTO JOBS CHARGE LOWER ANNUAL FEES. [7]



MICHIGAN

- \$135 for EVs
- \$47.50 for PHEVs



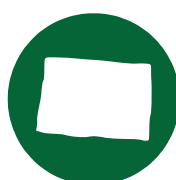
INDIANA

- \$150 on battery electric vehicles (BEV)
- \$50 on PHEVs and non-plug-in hybrids



IOWA

- \$65 for BEVs
- \$32 for PHEVs in 2020; in 2021, increases to \$97 for BEVs
- \$48.75 for PHEVs; in 2022, increases to \$130 for BEVs
- \$65 for PHEVs
- Nothing for non-plug-in hybrids



COLORADO

- \$50 on BEVs and PHEVs
- Nothing for non-plug-in hybrids



OHIO

- \$200 for all-electric vehicles
- \$200 for plug-in hybrids
- \$100 for internal combustion hybrids



CALIFORNIA

- Aggressively adding auto jobs and levies a \$100 fee on EVs and no fee on PHEVs or HEVs.

SOLUTION

Change fee to:

\$100 for all electric vehicles | \$50 for plug-in hybrids | \$0 for gasoline-only hybrids (HEVs)

Please reach out to Tyler Fehrman, Tyler@CleanFuelsOhio.org, for any additional resources or assistance

[1] E&E News, "Some Fear Wave of EV Fees Might Swamp Emission Goals"; <https://www.eenews.net/stories/1060126901#:~:text=A%20University%20of%20California%2C%20Davis,7>.

[2] Utility Dive, "Georgia Electric Vehicle Sales

Shrink 80% in Wake of Tax Credit Repeal"; <https://www.utilitydive.com/news/georgia-electric-vehicle-sales-shrink-80-in-wake-of-tax-credit-repeal/434092/>

[3] Consumer Reports, "Rising Trend of Punitive Fees on Electric Vehicles Won't

Dent State Highway Funding Shortfalls but Will Hurt Consumers"; <https://advocacy.consumerreports.org/wp-content/uploads/2019/09/Consumer-Reports-EV-Fee-analysis.pdf>

[4] Ohio BMV, "2019 Facts & Figures"; https://www.bmv.ohio.gov/links/bmv_2019-Facts-Figures.pdf

[5] National Conference of State Legislatures: "Special Fees on Plug-In Hybrid and Electric Vehicles"; <https://www.ncsl.org/research/energy/new-fees-on-hybrid-and-electric-vehicles.aspx>

[6] Clean Jobs Midwest Report, "Ohio Fact Sheet"; https://www.cleanjobsmidwest.com/wp-content/uploads/2020/09/Ohio_ExecSum_CJM2020920.pdf

[7] JobsOhio An Automotive Powerhouse; https://www.jobsOhio.com/wp-content/uploads/2018/11/JobsOhio_Automotive_Brochure_FA_07.pdf