Transportation Bill EV Fee Talking Points

Overall message

- Ohio lawmakers have an opportunity to preserve Ohio’s 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.
- It’s time to create a future where the public and private stakeholders in Ohio work together to ensure our state is continuing to innovate and encourage advancements in technology.

EV fee discourages adoption

- The current EV fee is disproportionate and beyond what owners will pay with a gas tax.
- Ohio gas taxes are based on the amount of fuel consumed times the tax per gallon. Comparable gas-powered vehicles pay between $85 to $100 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.*
- While it’s important for EV owners to pay their fair share, the current structure is creating a road block to innovation and job growth.
  - 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 $100 or more could slow the adoption of electric vehicles by as much as 20% over the first few years.
- Georgia has experienced an actual decline in EV registrations following the imposition of its $200 up-front fee.

EV Innovation and Jobs

- 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.
- In 2018, the number of people employed in the EV sector increased by nearly 17% to 16,646 Ohioans.
• 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.
  o Ohio: $200 for all-electric vehicles, $200 for plug-in hybrids (PHEV) and $100 for internal combustion hybrids
  o Michigan: $135 for EVs and $47.50 for PHEVs.
  o Indiana: $150 on battery electric vehicles (BEV), $50 on PHEVs and non-plug-in hybrids
  o 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
  o Colorado: $50 on BEVs and PHEVs, nothing for non-plug-in hybrids
  o California is aggressively adding auto jobs and levies a $100 fee on EVs and **no fee on PHEVs or HEVs.**

**EV Ohio Road Funding**

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