

HB 1464 - Gas and EV Road Use Tax Bill

2021 Proposal at the legislature:

	old	new	Change %
Gas tax 3 Cent Increase:	\$0.23	\$0.26	13.04%
Gas tax 6 Cent Increase:	\$0.23	\$0.29	26.09%

If EV Tax was increased at the same rate:

EV Tax Equitable increase @ 3 cents	\$120	\$136	13.33%
EV Tax Equitable increase @ 6 cents	\$120	\$152	26.67%
EV Tax proposed	\$120.00	\$200	66.67%

If EV Taxes were directly equitable by average miles driven:

@ 3 cent increase	11214 (miles driven)/24.3mpg * \$.26	\$119.95
@ 6 cent increase	11214 (miles driven)/24.3mpg * \$.29	\$133.83

EVs now pay \$120 per vehicle. If one person owns 2 EVs they pay double even though a person can't drive two cars at one time.

11241 miles
 107 eMPG (non weighted average)
 \$0.23 \$ICE pays per gallon

Fleet Average 107 EV Fleet Value \$24.16 EV Comparable cost based on efficiency

EPA Numbers – Top 4 selling Evs in the USA		2018 sales
Car (2018)	Efficiency(eMPG)	
Chevy Bolt	119	16907
Tesla Model S	100	24836
Tesla Model X	88	22495
Tesla Model 3	121	<u>114532</u>

miles traveled (VMT)

<https://www.carinsurance.com/Articles/average-miles-driven-per-year-by-state.aspx>

The NDDOT testified to numbers within a few percent of the below at the 2019 Legislature Session

North Dakota – 2014 VMT 11241 Per vehicle average miles per year

Gas tax: \$0.23
 2014 Average mpg 24.3

Average tax paid in 2014 \$106.40 (ICE) \$/mile paid \$0.00947

Brian Kopp - 7 year EV owner, over 150,000 miles driven in EVs

Having attempted to discuss the above bill with House transportation committee for explanation for the large difference in taxes being applied to different vehicles. I was not met with any data or reason to justify the discrepancy. I was told a comparative study was looked at and noted that we would have a much higher rate than any of our neighboring states while also having zero programs or discounts for having an EV. Government is not supposed to pick the winners, so why is a certain type of vehicle being singled out?

(discuss above number here)

Other considerations. 100% of ND's electricity is produced in state. Discouraging EVs decreases future overnight electrical demand when coal power plants are producing energy but not all of it is consumed. By having EVs in garages or plugged in outside during the night that energy is being purchased.

During the initial discussion about an EV road use tax I was informed that more economical vehicles had the benefit of being taxed less as they were using less resources and created an environment of benefit for being more efficient on both the fuel and tax cost. This makes sense to encourage conservation, however, this is not considered on the EV side at all. EVs are typically 3-5x more efficient than their liquid fueled counterparts, yet we are paying more per mile than the average vehicle. This penalizes having a more efficient vehicle. Now moving forward I understand the state needs funds for the roads, so I didn't have much of an issue with the original \$120 as the state would not entertain a per mile solution that is needed moving forward. Each year North Dakota doesn't come up with a long term solution means the change is going to be more difficult and time consuming to implement later. The best time to solve any long term problem is right now. If an EV could have an annual mileage recorded by any number of public or private entities (repair shops, body shops, etc.) this could create a more equitable environment. But this does not solve the problem of where the miles were driven either. Eventually it appears the vehicles will have to log which state a vehicle was driven in and bill road use tax accordingly. This isn't something I expect to be tackled this session, but it should be known for future discussions.