



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 615** HLS 21RS 971
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 2, 2021 2:08 PM	Author: FREIBERG
Dept./Agy.: Revenue/DOTD/OMV	Analyst: Benjamin Vincent
Subject: Electric/Hybrid Vehicle Tax; TTF CSF Dedication	

TAX/GASOLINE TAX EG +\$1,000,000 SD RV See Note Page 1 of 1
 Adjusts the amount of excise tax levied on gasoline, diesel, and special fuels and levies new taxes on gasoline, diesel, special fuels, and electric and hybrid vehicles

Proposed law implements, beginning in FY23, an annual tax of \$400 per electric vehicle and \$275 per hybrid vehicle, to be collected every two years upon registration or renewal, and dedicates the avails to the Construction Subfund (CSF) of the Transportation Trust Fund (TTF). Proposed law provides restrictions on the use of funds within the CSF.

Proposed law requires the Legislative Auditor to audit the operations and efficiency of the Department of Transportation & Development (DOTD), and its use of funds within the CSF.

Effective July 1, 2022.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000

EXPENDITURE EXPLANATION

The Office of Motor Vehicles will incur programming and administration costs to flag and track the number of electric and hybrid-electric vehicles, and collect the new annual taxes on those vehicles. These tax administration costs have not been estimated as of the writing of this analysis.

REVENUE EXPLANATION

Proposed law levies an annual tax of \$400 on electric vehicles and \$275 on hybrid-electric vehicles in the state, and dedicates the avails to the CSF.

Official state electric vehicle data is not collected, however industry estimates suggest the 2020 total to be approximately 2,900 such vehicles in the state. While the new taxes are annual, they are collected every two years upon registration or renewal. This would imply a pattern of collections that spiked up and down in alternating years. The annual average of approximately \$1 million to the CSF is depicted in the table above. To the extent that purchases of these types of vehicle become more commonplace, this figure will increase over time.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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