

## FISCAL NOTE

October 24, 2019

<b>Bill No:</b>	HB 1392	<b>Printer's No:</b>	Carroll (R)	<b>Sponsor:</b>	2530
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### COST / (SAVINGS)

Fund (s)	2019-20	2020-21
Motor License Fund	See "FISCAL IMPACT"	"See "FISCAL IMPACT"

**SUMMARY:** HB 1392 amends Title 75 to establish an electric vehicle road use fee for plug-in, electric vehicles in place of the liquid fuels tax or alternative fuels tax.

**ANALYSIS:** HB 1392 establishes an annual road use fee for electric vehicles, to be paid when vehicle owners apply for a vehicle registration with the Department of Transportation (PennDOT). This fee must be paid for an initial registration of a vehicle as well as a registration renewal, and the vehicle's registration may not be completed until the fee has been paid in full. The following table demonstrates the fee schedule:

Vehicle Type	Road Use Fee
Electric motorcycle or electric neighborhood vehicle	\$ 50.00
Hybrid electric vehicle with gross vehicle weight rating under 26,0000	\$ 75.00
Non-hybrid electric vehicle with gross vehicle weight rating under 26,0000	\$250.00
Electric vehicle with gross vehicle rating above 26,000	\$250.00

HB 1393 stipulates that the electricity used in this vehicle is not considered liquid or alternative fuel, meaning that these vehicle owners will be exempt from the liquid fuels tax and the alternative fuels tax.

Revenue from the fee accrues to the Motor License Fund in the same distribution formula as proceeds from the Oil Company Franchise Tax.

**FISCAL IMPACT:** Currently, electric vehicles are subject to the liquid fuels tax and the alternative fuels tax. However, due to lack of awareness of the burden to file these taxes and a lack of enforcement the Department of Revenue currently only receives payment of these taxes from a tiny fraction of the total number of electric vehicle owners in the commonwealth. Therefore, the newly established road use fee for electric vehicles will far offset the forgone revenue from the liquid fuels and alternative fuels taxes, summarized in the table below:

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Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Loss	\$ 23,000	\$ 72,000	\$ 91,000	\$ 117,000	\$ 149,000	\$ 189,000
New Revenue	\$1,057,000	\$3,234,000	\$4,122,000	\$5,255,000	\$6,698,000	\$8,538,000
Total Impact	<b>\$1,034,000</b>	<b>\$3,162,000</b>	<b>\$4,031,000</b>	<b>\$5,138,000</b>	<b>\$6,550,000</b>	<b>\$8,349,000</b>