

Testimony to the House Ways and Means Committee
HB 1280 Sales and Use Tax - Electricity to Charge Electric Vehicles - Transportation
Trust Fund

Position: Unfavorable

25 February 2024

The Honorable Vanessa E. Atterbeary, Chair
Room 131, House Office Building, Annapolis, MD 21401

Honorable Chair Atterbeary and Members of the House Ways and Means Committee:

My name is Scott Wilson, and I currently drive a 2017 Chevy Bolt EV and a 2013 Nissan Leaf. I serve on the Maryland Zero Emission Electric Vehicle Infrastructure Council, and I'm also Vice President of the Electric Vehicle Association of Greater Washington DC. The following remarks are entirely on my behalf.

As an EV driver, I want nothing more than to pay my fair share in road taxes. I don't like potholes any more than the next guy. Fairness should extend not just between EV drivers and ICE drivers, but among EV drivers themselves. This bill fails to do that.

This bill would send funds to the TTF from the sales and use tax on public EV charging (i.e. from electricity "NOT SOLD UNDER A RESIDENTIAL OR DOMESTIC RATE SCHEDULE ON FILE WITH THE PUBLIC SERVICE COMMISSION"), but not from any taxes whatsoever on residential or domestic rate charging. Thus, drivers who must rely on public EV charging, primarily those who live in multifamily housing which have not yet, or are unable to, install Level 2 charging, would be entirely footing the bill for the EV contribution to the TTF, while drivers privileged enough to be able to charge at home would not contribute a penny to the TTF. Allegedly, EVs "aren't paying their fair share" to the TTF. Why would we recover funds only from roughly half of EV drivers?

The best funding option is a solution that is both fair and which would **permanently solve TTF funding**: abolishing the gas tax and replacing it with a Road Usage Charge (RUC) also known as a Vehicle Mile Tax (VMT). A VMT is the fairest solution since it would charge vehicles in direct proportion to their road use. The more you drive, the more you pay, the less you drive, the less you pay, which is the way gas cars are taxed now. In fact, the gas tax has always been a proxy for a VMT, but that proxy is breaking down.

The Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN) took testimony last year and will make final recommendations at the end of this year. Testimony at TRAIN has shown that the real cause of declining TTF revenue is

primarily the decrease in gasoline purchases due to increasing Corporate Average Fuel Economy (CAFE) standards in the wider fleet. CAFE standards will continue to rise, raising a fair question about whether, for example, hybrids like the Toyota Prius are or will be “paying their fair share”.

It would be better to take gasoline out of the equation entirely. Charge vehicles in proportion to the amount they drive, not the amount of gas they burn.

There are many ways to phase in a VMT which includes **robust and verifiable privacy protections**, and we can learn from the states that are already doing so. Oregon¹, Utah², Virginia³, and even deep red Oklahoma⁴ all have active or pilot VMT programs. Washington, California, Nevada, Colorado, Minnesota, Pennsylvania, North Carolina, New Jersey, Delaware, Hawaii, and Maine all have VMT pilots. 20 other states, including Maryland⁵, are researching VMT programs through multi-state consortia. The National Conference of State Legislatures⁶ has shown that VMT programs are affordable, effective, and **privacy-protecting**. The TRAIN Commission has taken testimony⁷ which included VMT and has stated it will consider VMT in 2024. VMT is thus a viable potential TTF funding option, and preemptively prohibiting it would be short-sighted transportation policy.

As an EV driver, I want nothing more than to pay my fair share. Let’s not get in front of the TRAIN, let’s wait for the TRAIN to come in.

Thank you for your time,

Scott Wilson

¹ <https://www.myorego.org/>

² <https://roadusagecharge.utah.gov/>

³ <https://www.dmv.virginia.gov/vehicles/taxes-fees/mileage-choice>

⁴ <https://www.fairmilesok.com/>

⁵ <https://tetcoalitionmbuf.org/>

⁶ <https://www.ncsl.org/resources/details/ncsl-road-usage-charges-summit-agenda-presentations-june-2022>

⁷ Ed Regan “2023 Outlook on Fuel Tax Sustainability” at [2:12:45 https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmt=tri&clip=APP_8_24_2023_meeting_1&ys=2023rs](https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmt=tri&clip=APP_8_24_2023_meeting_1&ys=2023rs)