

ELECTRIC VEHICLES AND THE HIGHWAY TRUST FUND

Increased Adoption of Electric Vehicles Requires New Funding Sources for the Highway Trust Fund

Action Needed:

Increased adoption of electric vehicle has created a revenue shortfall for the Highway Trust Fund.

Congress must take action to ensure electric vehicle owners no longer get a free ride and contribute to maintaining our roads, bridges, and transit systems.

Background:

The Highway Trust Fund (HTF) has played a pivotal role in supporting the nation's transportation infrastructure and financing highway and transit projects. However, HTF revenues – primarily funded by federal fuel taxes – have long been on the decline with more fuel efficient and hybrid vehicles on the road. With the continued adoption of electric vehicles (EV) – which do not pay into the HTF – revenues into the HTF are declining more precipitously. The quickening demise of revenues into the HTF jeopardizes our nation's ability to maintain and rebuild our nation's infrastructure.

AGC Message:

- **Congress must create an EV user fee.** Federal fuel taxes have historically been a reliable source of income for the HTF, but as more and more electric and hybrid vehicles enter the fleet, the revenues for the HTF's main source of funding has decreased. Congress encouraged this behavior by providing a tax credit for buying an electric vehicle. As a result, the HTF faces a revenue shortfall without congressional action to ensure a user fee system where all users contribute to maintaining and expanding America's highway and transit infrastructure.
- **EVs are heavier and doing more damage to our roads and bridges.** EVs are, in general, much heavier than their internal combustion engine counterparts. A drastic and rapid increase in the overall weight of the nation's light and heavy vehicle fleet will cause additional wear and tear on roads that will require increased funding levels to address more frequent maintenance needs and the building of updated road networks that can manage the added stress placed on them because of EVs.
- **Americans are not equally sharing the tax burden to fund our nation's infrastructure.** Congress created a tax credit for Americans who choose to purchase an electric vehicle. As a result, a millionaire that chooses to buy a Tesla gets \$7,500 from the federal government for choosing to do so. That same millionaire does not pay a gas tax and therefore gets out of paying for the maintenance of America's roads, bridges, and transit systems. However, a suburban mom driving 1992 minivan does not get a tax credit and has to cover the cost of maintaining our roads and bridges that the Tesla owner is no longer paying for.