

Texas's New Electric Vehicle Registration Fee

Kaitlin Wetherbee



GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS



SB 505

88th Legislature, Regular Session (2023)

- \$200 fee for annual registration of EV
 - \$400 fee for initial registration of EV, good for two years
- EV defined as a motor vehicle using electricity as its only source of power
 - Excludes mopeds, neighborhood electric vehicles, etc
- Administered by Texas Department of Motor Vehicles
- Revenue to State Highway Fund (SHF)
 - Estimated fiscal 2024 revenue: \$79.5 million
 - Estimated fiscal 2025 revenue: \$124.5 million
- Effective Sept. 1, 2023

Existing Law

Motor Vehicle Registration State Fees

- \$51.75 registration fee
 - \$50.75 to SHF, \$1 to TexasSure Fund
- \$5.50 inspection fee
 - Allocated to Texas Mobility Fund and Clean Air Account
- Additional processing fees and local fees

SB 505 EV fees are on top of existing registration and inspection fees

Motor Fuels Taxes

(unchanged by SB 505)

- Gasoline and diesel: 20 cents/gallon
- 75% allocated to State Highway Fund and 25% allocated to Available School Fund
- Tax rate unchanged since 1991
- Fiscal 2023 revenue: \$3.8 billion

Fiscal Note for SB 505

1. Number of EVs currently registered in Texas from the TxDMV's Alternately Fueled Vehicle Report
 - 105,807 in fiscal 2022
2. Number of new EV registrations from IHS/S&P Light Vehicle New Sales Forecast
3. Assumed 90% of vehicles will renew each year (noncompliance, new car, net of migration in/out of state, etc.)
4. Applied the \$200 EV registration fee to estimated renewals and the \$400 EV registration fee to estimated new registrations

Appendix A – Vehicles Registered in Texas by Fuel Type – FY 2022

FUEL TYPE	REGISTERED VEHICLES	PERCENT OF TOTAL
Hybrid (Gasoline)	346,471	1.35%
Electric	105,807	0.41%
Natural Gas	3,412	0.01%
Propane	2,168	0.01%
Ethanol	194	0.00%
Hybrid (Diesel)	10	0.00%
Hydrogen Fuel Cell	1	0.00%
Methanol	1	0.00%
Subtotal, AFV	458,064	1.79%
Gasoline	18,589,078	72.54%
Flexible	2,063,603	8.05%
Diesel	1,454,229	5.67%
Convertible	2,562	0.01%

Undisclosed*	256,783	1.00%	Fuel Type
Unknown**	415,115	1.62%	Fuel Type
	2,386,158	9.31%	Trailers
Total, Non-AFV	25,167,528	98.21%	Subtotal
Vehicles Registered	25,625,592	100.00%	Total Vehicles

encoding process returned the fuel type in question as *Undisclosed*.

in fuel types are the result of an error in the VIN decoding process or the VIN not designating a fuel type.

* The VIN d

** Unknown

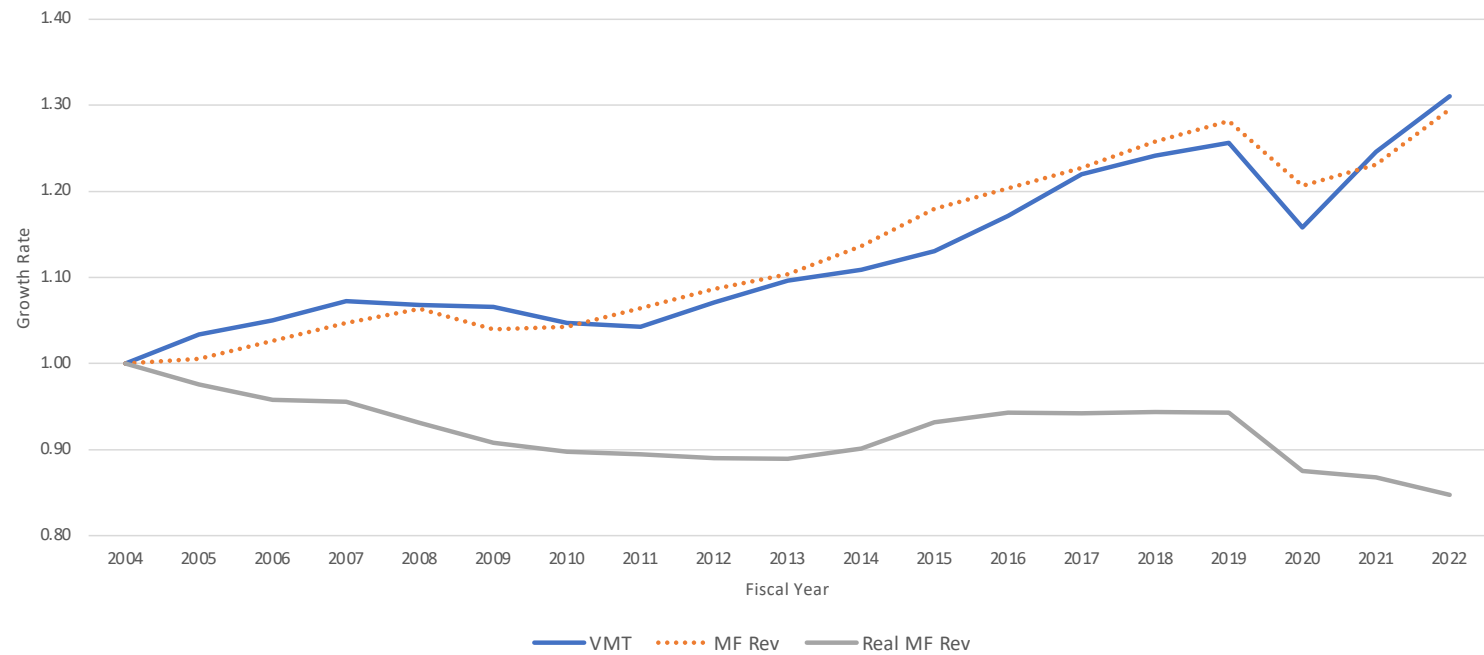
Vehicles Registered in Texas by Fuel Type

Alternatively Fueled Vehicles Report, Fiscal 2022

Texas Department of Motor Vehicles

https://www.txdmv.gov/sites/default/files/report-files/FY_2022_Alternatively_Fueled_Vehicle_Report.pdf

Growth Rates for Vehicle Miles Travelled (VMT), Motor Fuels Revenue, and Real Motor Fuels Revenue



State Highway Fund Revenue

SHF receives revenue from multiple sources

- Motor fuel taxes
 - ~ \$2.8 billion per year
- Motor vehicle registration fees
 - ~ \$1.7 billion per year
- Severance taxes
 - varies, \$3 billion in fiscal 2024
- Sales tax
 - \$2.5 billion per year
- Motor vehicle sales tax
 - \$650 million per year

Fiscal 2023 SHF Revenue

- State funds: \$12 billion
- Federal funds: \$4 billion

Other Proposed Legislation, 88th Legislature, R.S.

HB 2028

- Proposed a motor fuel tax recovery fee for EVs that would have been assessed at the time of registration
- Fee of at least \$300, set by TxDMV every five years, after considering average annual amount of state motor fuels taxes an EV would pay if it was a gas or diesel car

HB 3418

- Proposed a pilot program to assess a motor vehicle user fee based on miles driven on Texas roads

HB 3802

- Proposed a new tax on EV charging services
- Indirect tax imposed on the purchaser of EV charging services, collected and remitted by the provider
- Tax rate of 2.6 cents per kWh

Kaitlin Wetherbee

Senior Revenue Estimator

Texas Comptroller of Public Accounts

kaitlin.wetherbee@cpa.texas.gov

512-463-6082