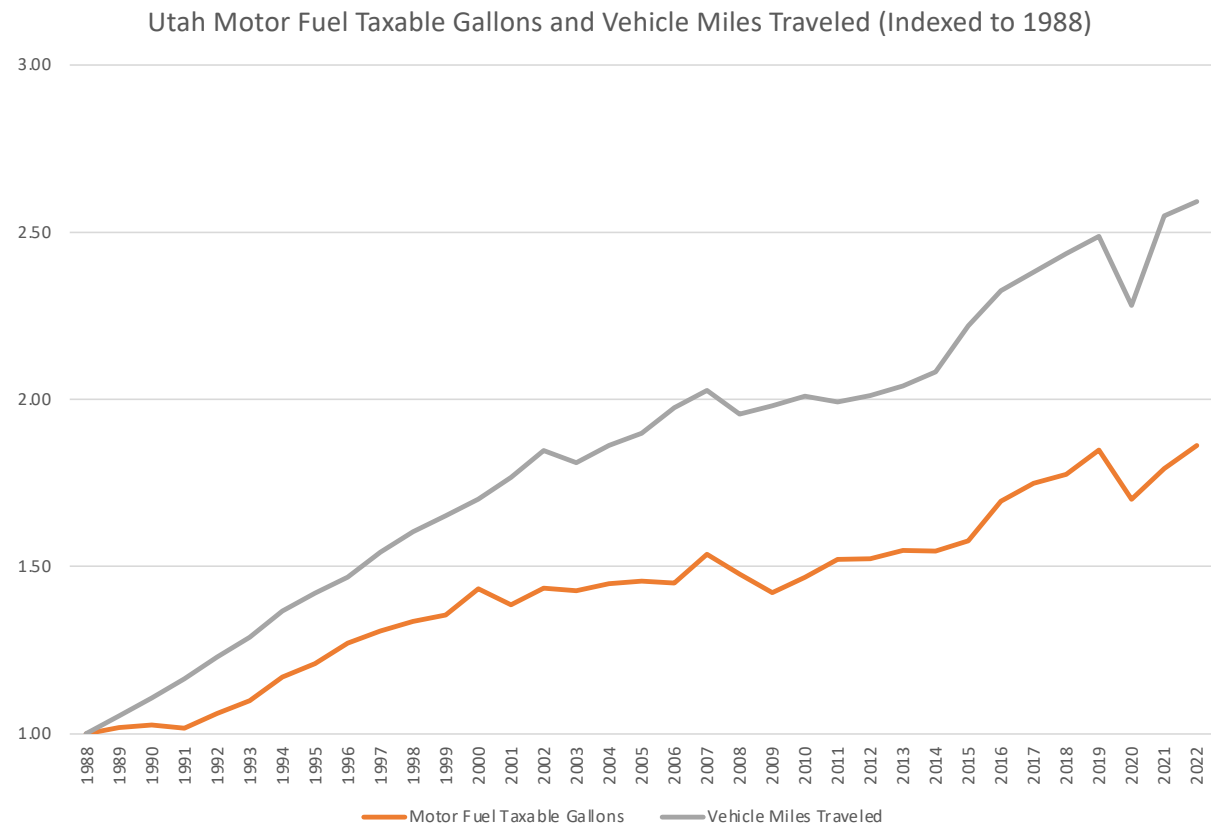




# Utah's Tax on Electric Vehicle Charging Stations

Eric Cropper  
Senior Economist  
Utah State Tax  
Commission

## Erosion of Fuel Tax Base

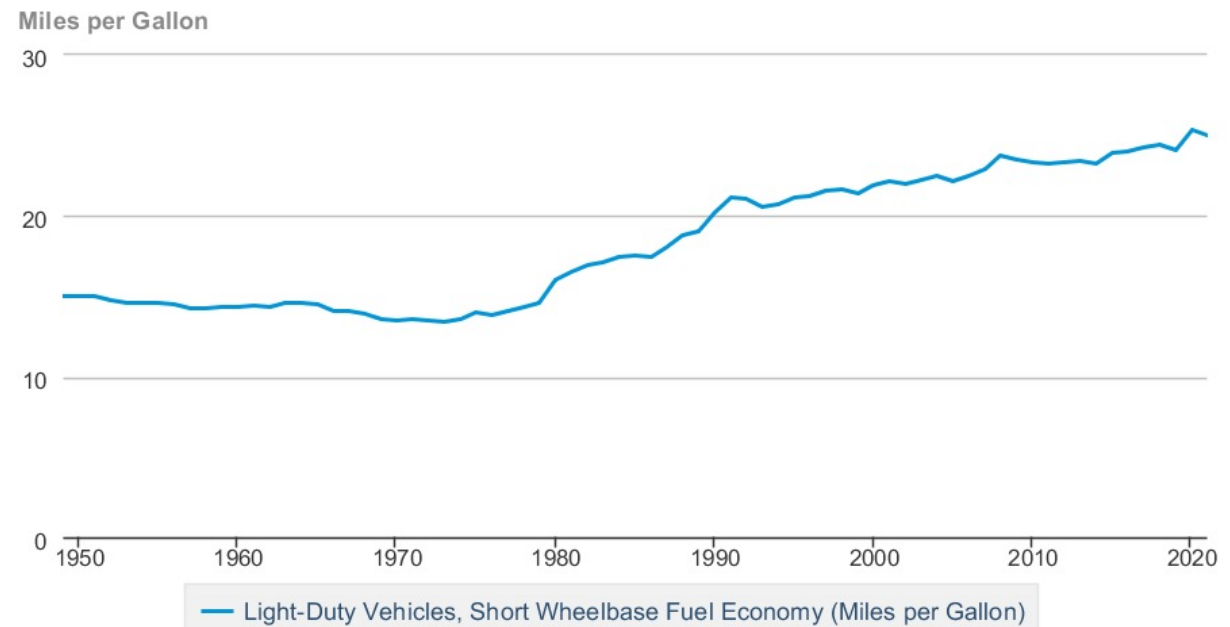


Motor Fuel Taxable Gallons available at: <https://tax.utah.gov/econstats/history>

Vehicle Miles Traveled available at: <https://www.udot.utah.gov/connect/business/traffic-data/traffic-statistics/>

# Threats to Sustainability of Fuel Tax – Fuel Efficiency

**Table 1.8 Motor Vehicle Mileage, Fuel Consumption, and Fuel Economy**

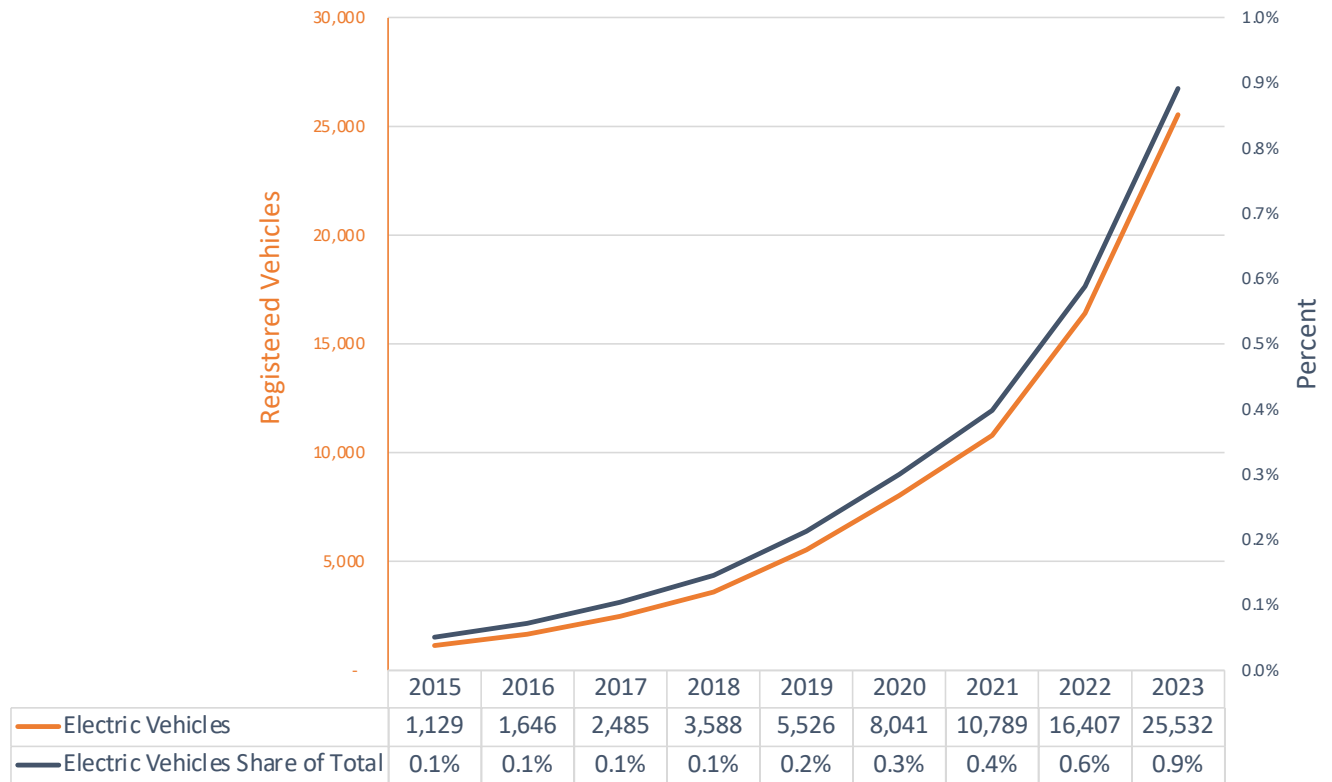


Data source: U.S. Energy Information Administration

Source: EIA <https://www.eia.gov/totalenergy/data/browser/?tbl=T01.08>

# Electric Vehicle Trends

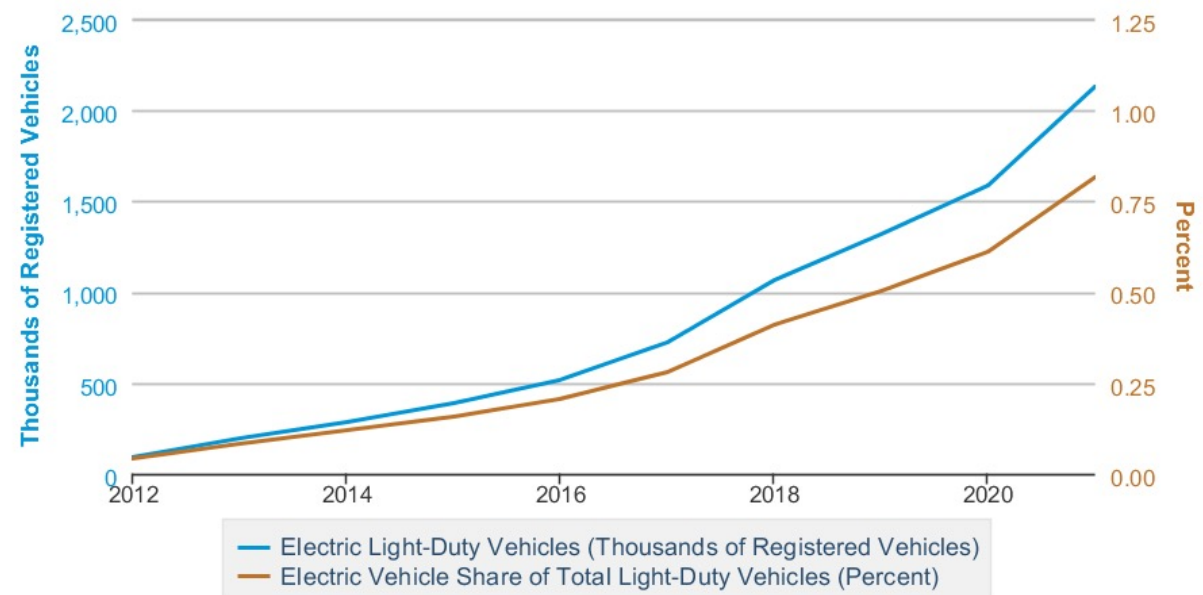
Electric Vehicles Registered in Utah



Source: Utah State Tax Commission <https://tax.utah.gov/econstats/mv/registrations>

# Electric Vehicle Trends

**Table 1.9 Electric and Fuel Cell Electric Light-Duty Vehicles Overview**

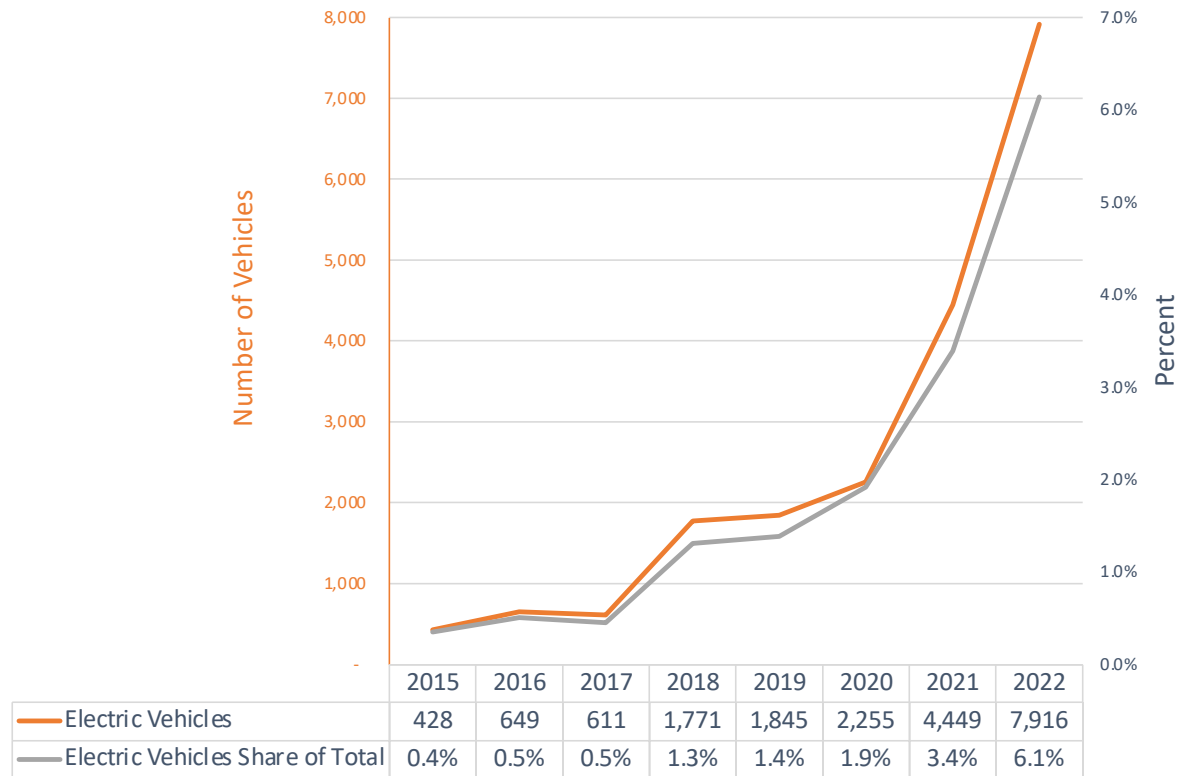


Data source: U.S. Energy Information Administration

Source: EIA <https://www.eia.gov/totalenergy/data/browser/?tbl=T01.09#>

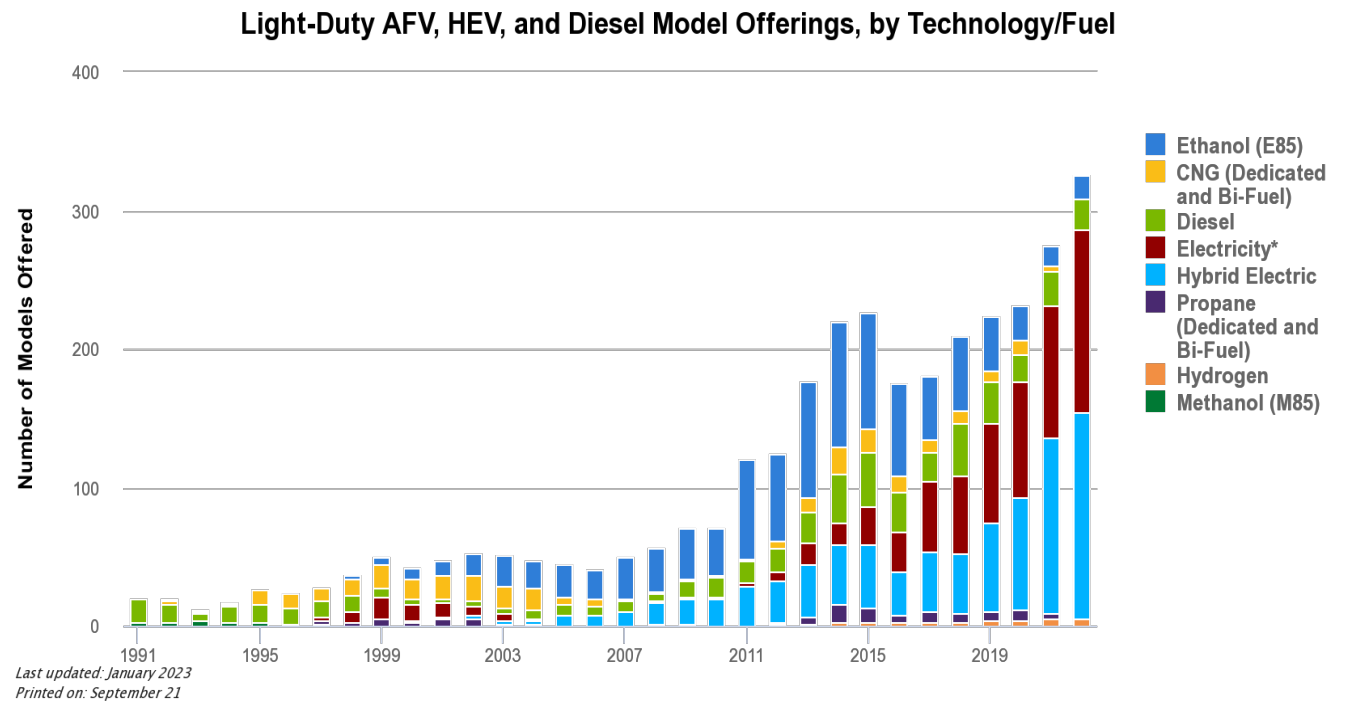
# Electric Vehicle Trends

New Electric Vehicles Sales in Utah



Source: Utah State Tax Commission <https://tax.utah.gov/econstats/mv/new-vehicle-sales>

# Electric Vehicle Trends



Source: U.S. Department of Energy <https://afdc.energy.gov/data/10303>

# HB 301 – Transportation Tax Amendments

## 2023 General Legislative Session

- Modifies gas tax calculation
  - Reduces fuel tax rate by 1.9 cents per gallon for last half of 2023, 3.6 cents per gallon in 2024 and 1.6 cents per gallon in 2025
- Increases vehicle registration fees by \$7
  - Effective January 1, 2024
- Imposes a tax of 12.5% on the retail sales of electricity at an electric vehicle charging station
  - Effective January 1, 2024

Available at <https://le.utah.gov/~2023/bills/static/HB0301.html>



# Utah's Electric Vehicle Charging Tax

- **59-30-102. Imposition -- Rate -- Revenue distribution.**
  - (1) There is levied a tax upon the retail sale of:
    - (a) electric current sold by a charging station operator to charge or recharge an electric vehicle; and
    - (b) a charging station subscription by a charging station operator to charge or recharge an electric vehicle.
  - (2) The tax levied under Subsection (1) is imposed at a rate of 12.5% for a charging station operator that charges:
    - (a) per kilowatt hour as described in Subsection (4)(a);
    - (b) per hour as described in Subsection (4)(a);
    - (c) a subscription fee for charging services as described in Subsection (4)(b); or
    - (d) a combination of Subsections (2)(a) through (c).

# Estimated Revenue from HB 301 Electric Vehicle Charging Tax

- Revenue Fiscal Note Estimate
  - FY2024 -\$300,000
  - FY2025 - \$1,000,000
  - Estimate based on number of electric vehicles, average electric usage per vehicle, percentage charged at public stations, and average price per kWh.
- Tax on paid charging stations only
  - No tax on free public charging or charging at home

## Six States with Electric Vehicle Charging Tax

- Iowa
  - Beginning July 2023
  - \$0.026 tax per kilowatt-hour on public charging stations
- Montana
  - Beginning July 2023
  - \$0.03 tax per kilowatt-hour on public charging stations
- Kentucky
  - Effective January 2024
  - \$0.03 tax per kilowatt-hour on public charging stations
- Oklahoma
  - Effective January 2024
  - \$0.03 per kilowatt-hour on public charging stations
- Utah
  - Effective January 2024
  - 12.5% tax on the retail price of electricity sold at charging stations
- Georgia
  - Effective January 2025 if Governor signs into law
  - \$0.26 tax for every 11 kilowatt-hour at public charging stations

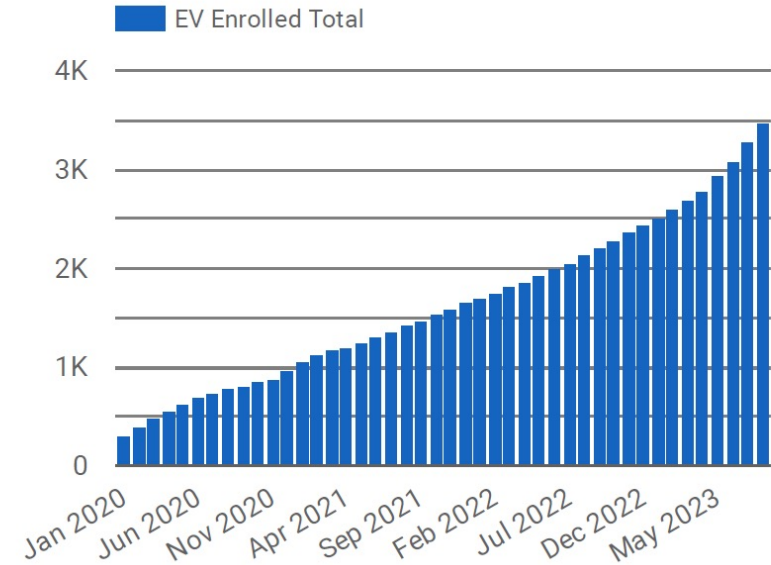
## Thoughts on Electric Vehicle Charging Tax

- Implements tax structure/user based fee for electric vehicles before they become a much larger percentage of on highway vehicles
- Tax avoidance
  - Home charging is exempt
  - Free stations exempt
- Pushback from electric vehicle drivers
- Disincentivizes lower pollution modes of transportation

# Other Utah Taxes on Electric Vehicles

	Electric Vehicles	Hybrid	Plug-in Hybrid
2023 Additional Registration Fee	\$130.25	\$21.75	\$56.50

## Utah's Road Usage Charge Program Electric Vehicle Enrollment



Source: Utah Department of Transportation

Questions?

