

New tax on electric vehicles penalizes consumers and won't solve road funding problems in Kentucky



Maximum Justifiable Fee

\$85

The max justifiable fee for EV drivers in Kentucky is \$85. If the state gas tax increases to \$0.346 per gallon and establishes a 'Highway Preservation' fee, Kentucky's max justifiable fee increases to \$98, finds **Consumer Reports**.*

** Any fee above this amount is 'punitive.' Max fee determined by average state fuel taxes paid by drivers of new gas-powered vehicles in Kentucky.*

EV taxes don't fund road repair

Even if Kentucky institutes a \$85 annual EV tax for drivers and EVs become much more popular, the new funding would only account for 0.03% of the state's road maintenance fund by 2025.

Why EV taxes are a poor choice

- Kentucky's **gas tax accounts for only 37%** of state's road funding.
- EV taxes can **discourage consumers** from purchasing a fuel-efficient or gas-free vehicle, which help reduce air pollution.
- If a state decides to institute an EV tax it should **delay implementation** until EVs are widely adopted and a more serious source of revenue.
- Flat fixed fees **don't charge people based on how much they drive.**
- EV taxes are collected as a lump sum, which is **especially burdensome for low-income drivers**, because it does not spread out costs over time like a gas tax.

