New tax on electric vehicles penalizes consumers and won’t solve road funding problems in New Mexico

**Maximum Justifiable Fee**

$53

The maximum justifiable fee for EV drivers in New Mexico is $53, finds Consumer Reports.*

* Figure determined by average state fuel taxes paid by drivers of new gas-powered vehicles in the state. Anything above this figure would be labeled ‘punitive.’

**EV taxes don’t fix road fund shortfalls**

Even if New Mexico institutes a $53 annual EV tax for drivers, the new funding would only account for 0.06% of the state’s road maintenance fund by 2025.

**Why EV taxes are a poor choice**

- New Mexico’s gas tax accounts for only 35% of state’s road funding.
- EV taxes can discourage consumers from purchasing a fuel-efficient or gas-free vehicle, which help states reach emissions and climate goals.
- 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.
- Because the tax is the same no matter how much you drive, flat fixed fees take away the control consumers have to manage their finances.
- EV taxes are a lump sum, especially burdensome for low-income drivers, because it does not spread out costs over time like the gas tax.