

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.

