

FISCHER'S FAIR SHARE ACT

"Fair Sharing of Highways and Roads for Electric Vehicles Act"

BACKGROUND:

The Highway Trust Fund (HTF) makes up over 90 percent of federal funds used for transportation projects. The HTF primarily receives its funding through the federal gas tax: 18.3 cents per gallon for gas and 24.3 cents per gallon for diesel. Currently, the HTF faces impending solvency. Since 2008, over \$275 billion, including \$118 billion from the Bipartisan Infrastructure Law (BIL), has been shifted from the general fund to sustain the HTF. Projections from CBO in October 2023 show the HTF becoming insolvent starting in 2028.

Electric vehicle (EV) adoption, which is being encouraged at the federal level through tax incentives, is placing further strain on the HTF. EVs do not contribute to the HTF as they are not subject to the federal gas tax. Despite this, their heavy batteries weigh up to three times more than internal combustion engine counterparts. For example, the Ford F-150 Lightning weighs over 6,000 pounds, whereas the F-150 internal combustion engine weighs an average of 3,000 pounds. The Ford EV Mustang weighs nearly 5,000 pounds, and a Ford Mustang with an internal combustion engine weighs 3,500 pounds. The significant increase in weight has a tremendous impact on roads, requiring more maintenance and repairs over time. The federal government devise a strategy to ensure EVs pay their fair share for road maintenance.

BILL SUMMARY:

The Fair SHARE Act would require EVs to contribute to the HTF through a two-tier fee structure similar to and modeled after the current federal gas tax and the heavy vehicle use tax. The bill would:

TIER 1:

Impose a one-time fee of \$1,000 on all-electric vehicles at the manufacturer level, at the point of sale. This fee would be appropriated to the HTF.

The \$1,000 fee equals the average amount consumers currently contribute to the HTF from gas taxes calculated over a span of 10 years. Light-duty vehicles with internal combustion engines have an average lifespan of 100,000 miles, which equates to approximately 10 years.

These vehicles typically contribute between \$87 - \$100 per year to the HTF. The average lifespan of an electric battery is 10-15 years. So, a comparable fee over 10 years for an EV would amount to around \$1,000.

TIER 2:

Impose a one-time fee of \$550 on each battery module with a weight greater than 1,000 pounds to be imposed at the manufacturer level and would be appropriated to the HTF.

Under the current structure, heavy trucks account for the additional costs they impose through a Heavy Vehicle Use Tax. Trucks with a gross weight of 55,000 pounds pay \$100 plus \$22 per 1,000 pounds over 55,000 pounds. At 75,000 pounds, the tax is capped at \$550. An excise fee would ensure that EVs are similarly contributing their fair share toward the costs of building and maintaining roads and bridges, and are accounting for the additional costs they impose due to the weight of EV batteries.

EV batteries are getting bigger and heavier in order to increase the vehicle's drive range and tamp down on driver anxiety. Due to current technology gaps, the batteries will only continue to increase in size and weight to accomplish the long-range goals. All the while, EVs are still failing to contribute their fair share.

The Fair SHARE Act provides an immediate solution to ensure EVs are doing their part in maintaining our highways and roads.

GROUP SUPPORT:



American Road & Transportation Builders Association



NATIONAL ASSOCIATION OF COUNTIES



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