



NHCSL

THE NATIONAL HISPANIC CAUCUS OF STATE LEGISLATORS

RESOLUTION No. 2023-08

Transitioning to a Fair Replacement for the Gas Tax

Reported to the Caucus by the NHCSL Government, Social Justice and Taxation Task
Force Task Force
Del. Alfonso López (VA), Chair

Sponsored by Del. Alfonso López (VA)

Unanimously ratified by the Caucus on December 2, 2023

WHEREAS, in [Resolution 2019-20, Equitable and Just Policies to Address Climate Change](#), this Caucus pledged to “focus on retooling the nation’s economy with solutions that center on equity and justice;” and,

WHEREAS, in [Resolution 2019-13, Accelerating Electric Vehicle Adoption Across America](#), this Caucus “committed to the transition to zero emission technologies;” and,

WHEREAS, even before the full transition to electric cars was set into motion, increased fuel efficiency forced states to consider seeking alternatives to gasoline tax revenues which fund repairs and improvements to the nation’s highways;¹ and,

WHEREAS, one growing policy trend is applying a separate registration fee for certain hybrid or electric vehicles. Currently, thirty-one states have adopted laws

¹ *Brief special fees on plug-in hybrid and electric vehicles.* [National Conference of State Legislatures](#). (n.d.).

requiring a special registration fee for plug-in electric vehicles,² but “the average state EV fee of \$128 per year is more than twice what someone driving an efficient gasoline car pays annually in state gas taxes;”³ and,

WHEREAS, some “states have been experimenting with a ‘Road User Charge’ (RUC) for decades as a potential alternative to the gas tax, but those pilot programs have generally only tested flat per-mile fees that do not account for vehicle pollution, weight, size, or other factors the gas tax takes into account inherently because it takes more energy to move heavier, bigger, more polluting vehicles;”⁴ and,

WHEREAS, when the fee is flat for all vehicles it also becomes a regressive tax, because heavier, more damaging vehicles are usually more expensive; and,

WHEREAS, states such as California, Virginia, Utah and Oregon have implemented volunteer programs in which users are charged vehicle fees through a milage tax.⁵ In 2022, at least eight states considered implementing bills that would tax EV users based on the amount of miles they drive;⁶ and,

WHEREAS, through different means, the Virginia and Oregon programs consider the vehicle’s weight class to tier the assessed fees, but the Oregon program has not been successful because its “net-revenue was entirely reliant on volunteers with cleaner, more efficient vehicles enrolling into a pilot against their own economic self-interest;”⁷ and,

WHEREAS, another approach in the new California law directly “accounts for vehicle efficiency so as to better align with climate, air quality, and equity goals [by using] mile-per-gallon (MPG) or, in the case of zero-emission vehicles, mile-per-gallon-equivalent (MPGe) ratings published by the U.S. EPA;”⁸ and,

WHEREAS, experts suggest that “regardless of whether a state is relying upon fuel taxes or a VMT tax to collect transportation revenue, it must index to both inflation and either total fuel consumption or total VMT to break the conflict between reducing fuel consumption/reducing VMT and collecting revenue needed to maintain the transportation system;”⁹ and,

² Ibid.

³ Amount as of 2019. Max Baumhefner, [A Simple Way to Fix the Gas Tax Forever](#) (NRDC, August 2, 2019)

⁴ Max Baumhefner, [Efficient Road User Charge Law Codified](#) (NRDC, September 30, 2021)

⁵ Oregon also runs a weight mile tax program. See *Vehicle-miles traveled (VMT) fees*. [FHWA](#). (n.d.).

⁶ Governing. (2022, October 11). *States consider mileage tax as nation shifts towards evs*. [Governing](#).

⁷ See for example, *Report your taxes*. Oregon Department of Transportation: Report Your Taxes: Commerce and Compliance Division: State of Oregon. (n.d.). Retrieved March 31, 2023, from <https://www.oregon.gov/odot/MCT/Pages/ReportYourTaxes.aspx>

⁸ Max Baumhefner, [Efficient Road User Charge Law Codified](#) (NRDC, September 30, 2021)

⁹ Ibid.

WHEREAS, in order to track the vehicle’s milage, citizens can choose to measure the miles driven, or allow a state-installed device to calculate said amount automatically, which allows for more periodic assessments instead of the typical option of an annual assessment during registration renewal; and,

WHEREAS, to guarantee there are no personal information breaches, “Virginia enacted a law stating that any data collected under the state’s pilot fee-per-mile program may not be sold, accessed through a public record request, or used for any purpose other than to collect unpaid fees. The law also gives residents the option to participate without location tracking.”¹⁰

THEREFORE, BE IT RESOLVED, that the National Hispanic Caucus of State Legislators calls upon all states and territories to consider equity and climate change goals when adopting replacements for the gas tax; and,

BE IT FURTHER RESOLVED, that the National Hispanic Caucus of State Legislators specifically recommends a usage tax that is indexed to inflation and considers mile-per-gallon (MPG) or, in the case of zero-emission vehicles, mile-per-gallon-equivalent (MPGe) ratings published by the U.S. EPA; and,

BE IT FINALLY RESOLVED, that the National Hispanic Caucus of State Legislators calls upon all states and territories to ensure that any data collected under the state’s fee-per-mile program may not be used for any purpose other than to collect unpaid fees.

THE GOVERNMENT, SOCIAL JUSTICE AND TAXATION TASK FORCE UNANIMOUSLY RECOMMENDED THIS RESOLUTION TO THE EXECUTIVE COMMITTEE FOR APPROVAL. THE EXECUTIVE COMMITTEE UNANIMOUSLY APPROVED THIS RESOLUTION AT ITS MEETING OF APRIL 23, 2023, IN SAN JUAN, PUERTO RICO.

THE NATIONAL HISPANIC CAUCUS OF STATE LEGISLATORS UNANIMOUSLY RATIFIED THIS RESOLUTION ON DECEMBER 2, 2023 AT ITS ANNUAL MEETING IN PHILADELPHIA, PENNSYLVANIA.

¹⁰ Governing. (2022, October 11). *States consider mileage tax as nation shifts towards evs.* [Governing](#).