



Drive Electric

MINNESOTA

March 26, 2025

Dear Co-Chair Koegel, Co-Chair Koznick, Co-Vice Chair Rehm, Co-Vice Chair Myers, and members of the House Transportation Finance and Policy Committee,

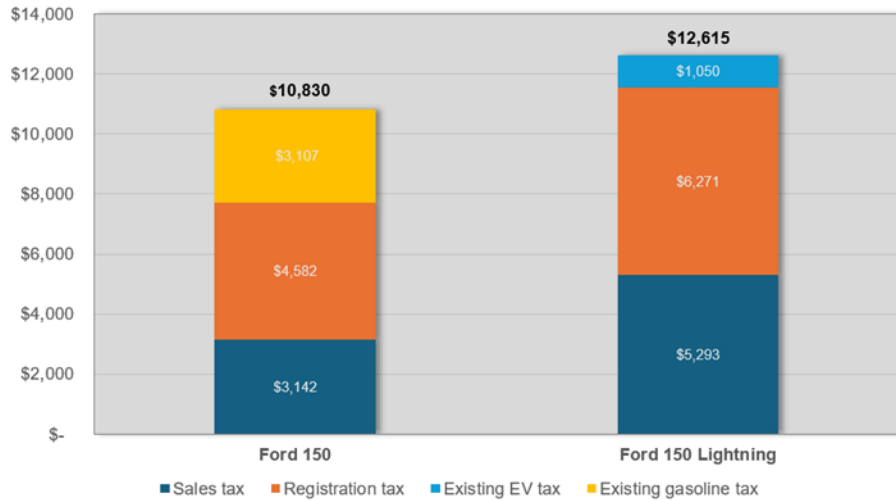
Drive Electric Minnesota appreciates the opportunity to submit written testimony on House File 1817. Drive Electric Minnesota recognizes the need for all vehicle drivers to contribute to funding for Minnesota's transportation system. However, electric vehicle (EV) drivers currently pay more into Minnesota's roadway fund than drivers of comparable conventional vehicles. Therefore, Drive Electric Minnesota opposes increasing the EV fee.

Drive Electric Minnesota is a partnership of EV champions—including automakers and auto dealers, electric utilities and cooperatives, local and state government, corporations, and nongovernmental organizations—who are working to accelerate EV adoption in Minnesota. Drive Electric Minnesota believes EVs of all types are an important component of energy efficiency and cleaner transportation in Minnesota that is both financially and environmentally sustainable.

Drive Electric Minnesota understands the need to sustainably fund Minnesota's transportation system. However, increasing the annual EV fee would be unfair for EV drivers, who already contribute *more* to the Highway Users Tax Distribution Fund than drivers of comparable gas vehicles.

Because EVs currently have higher upfront costs compared to comparable conventional gas vehicles, EV drivers pay significantly higher motor vehicle sales tax (MVST) and registration fees. According to a recent [report](#) from the Minnesota Department of Transportation, these fees, combined with the \$75 annual EV fee, result in a higher tax burden for EV drivers compared to drivers of gas cars.

To give an example, as shown in the chart below, the owner of an all-electric Ford F-150 Lightning truck would pay almost \$2,000 more in taxes and fees than the owner of a gas-powered Ford F-150 over the lifetime of the vehicle. The owner of the gas truck would pay \$10,830 in MVST, registration tax, and gas tax over the expected 14-year lifetime of their vehicle. And the owner of the all-electric truck would pay \$12,615 in MVST, registration tax, and the \$75 annual fee.



Increasing the EV fee will not only result in overtaxing EV drivers, but it would also have a limited financial benefit for the state. According to the MnDOT report, even doubling the EV fee from \$75 to \$150 would have a limited impact as a source of dedicated revenue given that EVs account for just 0.8 percent of the total passenger vehicle fleet today. It also would not address the issue of declining HUTDF revenue, which is [primarily caused by](#) the rising fuel efficiency of gas-powered cars.

Drive Electric Minnesota appreciates the opportunity to weigh in on this bill and welcomes the opportunity to continue to work with this committee to consider solutions to fund Minnesota’s roadways that are fair and sustainable.

Thank you for the opportunity to provide written testimony.

Sincerely,

Carolyn Berninger
 Public Policy Manager, Transportation & Fuels
 Great Plains Institute (Drive Electric Minnesota facilitator)