



West Virginia Electric Auto Association Statement on West Virginia Fuel Taxes and Registration Fees

Executive Summary

West Virginia's existing per gallon fuel tax to support public roads is antiquated and does not work as designed with fuel efficient, hybrid, and non-combustion engine vehicles. It should be replaced with a road usage fee for all vehicles based on annual miles driven by class of vehicle. Creating new registration fees for modern vehicles that do not fit into a decades old road taxation scheme is neither equitable nor sustainable.

Further Discussion

The West Virginia Electric Auto Association (WVEAA) and its members support safe, well maintained roads in the state. To that end, WVEAA also supports efforts to collect reasonable fees from owners of all vehicles using public roads whether they are powered by gasoline or electricity or some future technology. However, fees must be proportionate with actual use in the same manner that fuel taxes paid are proportionate with the road usage of a gasoline powered vehicle.

It is not the fault of high efficiency vehicles that the state's per gallon fuel tax dates to a time when almost all vehicles had similar poor fuel economy and the per gallon fuel tax was a reasonable proxy for usage across all vehicles. The more a vehicle was driven, the more it used public roads, the more fuel it consumed, and therefore more tax was paid. More usage equaled more tax to support public roads. This is the way it should be.

Unfortunately, that is not the case today. The primary issue should not be about the source of the fuel or amount of electricity versus gasoline versus whatever new technology may arrive in the future, it should be about a method for all vehicles to pay their fair share of public road taxes. The current per gallon tax for liquid fuel is the real problem that needs to be solved because it cannot account for very different levels of efficiency enabled by new technology. It is antiquated and should be replaced. Any vehicle fees or taxes collected to support public roads should be based on annual mileage as collected during vehicle inspection (or other method) and class of vehicle.

These fees should also not be punitive like the current flat annual registration fees for drivers of hybrid and electric vehicles. This is especially true for those who drive few miles per year. To this point, it is noteworthy that high efficiency gasoline only powered models (e.g., Hyundai Elantra, Toyota Corolla), achieving the fuel economy of hybrids from just a few years ago, also do not pay fuel taxes at the expected rate and owners of these vehicles are not penalized with higher registration fees. Should we penalize all efficient vehicles because they do not fit neatly into our decades old road taxation system? Should we encourage the spending of in-state dollars on imported energy? Of course not. We need to modernize the taxation system and encourage the use of local energy produced with local jobs.

As the fleet of high efficiency electric, hybrid, and gasoline powered vehicles increase, liquid fuel tax revenue will decrease, and this issue will have to be addressed. WVEAA proposes that this issue be addressed sooner rather than later and that West Virginia step forward to provide an equitable solution that serves as an example for others to follow – a road usage fee for all vehicles based on annual miles driven by class of vehicle.