

EVS AND ROAD FUNDING

Under Section 257.801, Section 7 of the Michigan Vehicle Code, EV owners must pay an additional annual registration tax.

Battery Electric Vehicle (BEV)
Registration Tax

=

A flat \$100 fee

+

\$5 for every \$0.01 the state
gas tax exceeds \$0.19

Plug-in Hybrid Electric Vehicle
(PHEV) Registration Tax

=

A flat \$30 fee

+

\$2.50 for every \$0.01 the state
gas tax exceeds \$0.19



This is in addition to the registration fee that all drivers pay, which is based on the vehicle's MSRP at the time of sale.

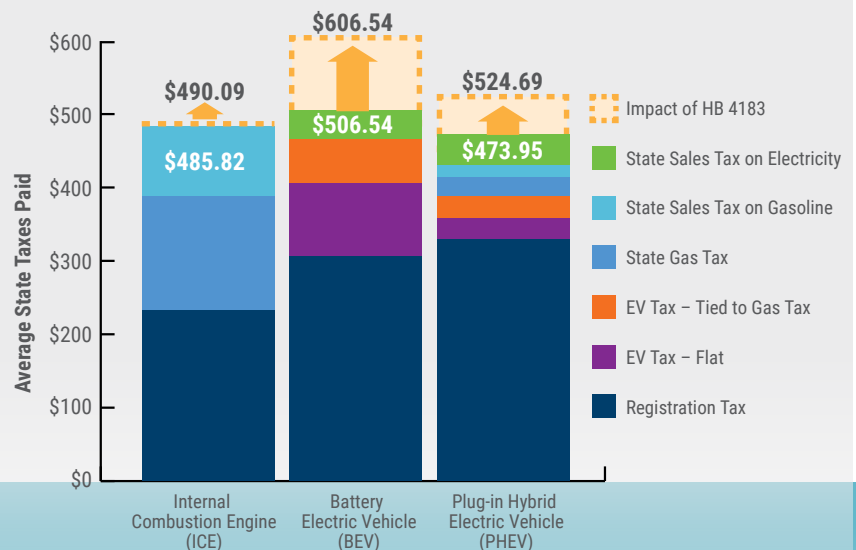


Drivers are separately responsible for sales tax applied to the fuel they purchase (6% on gas currently and 4% on electricity).

EV drivers already pay more in state taxes than internal combustion engine (ICE) vehicle drivers. **House Bill (HB) 4183 proposes eliminating the state sales tax on gasoline and increasing the gas tax from \$0.31 per gallon to \$0.51 per gallon.**

Implementing HB 4183 would add another \$100 to EV registration taxes.

State Taxes by Vehicle Type



Why It Matters:

- **EV drivers pay the entire tax upfront**, unlike gas drivers who pay gradually at the pump over the course of an entire year.
- **Michigan's leadership in EV manufacturing is at stake.** EV sales in the state grew **nearly 370% from 2019 to 2024**, and Michigan is positioned to be a national hub for electric mobility innovation. As the recognized future of the industry, any slowed EV adoption will affect workforce security in automotive manufacturing.
- **Increasing EV costs could stall adoption.** reduce market demand, discourage private investment, and weaken Michigan's competitive edge in the global mobility industry. These impacts may be especially hard-hitting in the used car market, which will make it harder for low- and middle-income Michiganders to purchase EVs.

