

SB 1065 — Motor Vehicles - Registration - Annual Surcharge
Position: **Unfavorable**

February 29, 2024

Dear Chairman Guzzone and Members of the Senate Budget and Taxation Committee,

I write in strong opposition to Senate Bill 1065, which unfairly burdens low-income Electric Vehicle (EV) drivers with additional registration fees. Instead of embracing clean transportation and ensuring equitable road funding, this bill deepens the existing tax disparity between EV and gas-powered vehicles.

Low-income EV drivers are disproportionately impacted by this proposed fee due to their reliance on public charging infrastructure. Unlike wealthier individuals who can primarily charge at home, often with lower residential electricity rates, low-income residents often lack reliable home charging options. This forces them to utilize public charging stations, which typically include a 6% state sales tax on top of the electricity cost. Senate Bill 1065 adds another layer of financial hardship to an already burdened group.

Research shows that in 36 states (including Maryland), EV drivers already pay more in taxes and fees than gasoline vehicle owners.¹ This proposed fee further widens the gap, creating an unfair and regressive tax burden. Additionally, the lack of transparency regarding taxes at public charging stations exacerbates the issue, making it difficult for low-income drivers to budget and manage their transportation costs effectively.

This bill undermines Maryland's clean transportation goals by discouraging adoption of EVs, especially among lower-income residents. Instead of penalizing environmentally conscious individuals, we should be fostering the transition to cleaner alternatives by implementing fair and equitable funding mechanisms for road maintenance.

Therefore, I urge the Committee to reject Senate Bill 1065. Let's focus on developing sustainable solutions that encourage clean transportation, promote equitable taxation, and protect the economic well-being of all Maryland residents, regardless of income level.

Sincerely,



Lanny Hartmann
Columbia, Maryland

¹ https://www.atlasevhub.com/data_story/ev-drivers-in-36-states-pay-a-surplus-of-fees-each-year/