

March 27, 2024

Unfavorable - SB 1065 — Motor Vehicles - Registration - Annual Surcharge

Mr. Chairman,

I write in strong opposition to Senate Bill 1065, which unfairly burdens low-income Electric Vehicle (EV) drivers with additional annual 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.

Gig workers, like Uber or Lyft drivers who rely on electric vehicles for their income, will be disproportionately impacted. Many Maryland residents lack access to personal parking or homeownership. Unlike wealthier individuals who can primarily charge at home, often with lower residential electricity rates, these residents are forced to utilize public charging stations, which typically include a 6% state sales tax on top of the high charging cost. Senate Bill 1065 adds another layer of financial hardship to an already burdened group.

The true cost of charging an EV at public stations is often obscured. Research shows EV drivers in Maryland (and 36 other states) already pay more in taxes and fees than gas vehicle owners.¹ This proposed surcharge further widens the gap, creating an unfair and regressive tax burden. Additionally, the lack of transparency regarding Maryland state sales and use tax at public charging stations makes it difficult for low-income drivers to manage expenses.

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 sustainable funding mechanisms, such as a mileage-based user fee system, that ensure all drivers contribute, proportionate to their usage, to 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,



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