

EVERGREEN EXPLAINS

The Climate & Economic Impacts of House T&I's Proposed EV Fee

The House Transportation & Infrastructure Committee [just released](#) a draft surface transportation reauthorization bill (STR), which includes **a new \$130 annual fee on electric vehicles (EV) and a \$35 annual fee on hybrid vehicles that would increase over time beginning in 2029 and cap out at \$150 and \$50 respectively.** This fee would impose new costs on American families and push consumers back toward gasoline-powered vehicles just as global instability is driving renewed volatility at the pump.

Earlier this year, [Evergreen Collaborative released a report](#) that identifies the four policy actions members of Congress can take in this year's STR that would mitigate the most carbon emissions. We modeled several different EV fee legislative proposals, which showed that all proposals would have a catastrophic impact on national emissions, and thus be critical to avoid in a final STR.

Now that House T&I has proposed a new EV fee, Evergreen has updated our modeling. We found that this most recent proposal would result in:

- **97 million metric tons of additional climate pollution - equivalent to adding 26 coal fired power plants to the grid for one year.**
- Roughly 3 million fewer EVs on the road by 2045.
- Increased fuel costs for American households by \$40 billion compared to charging savings, locking in higher long-term transport expenses
- 3,000 jobs lost per year across the electric vehicle manufacturing and supply chain.

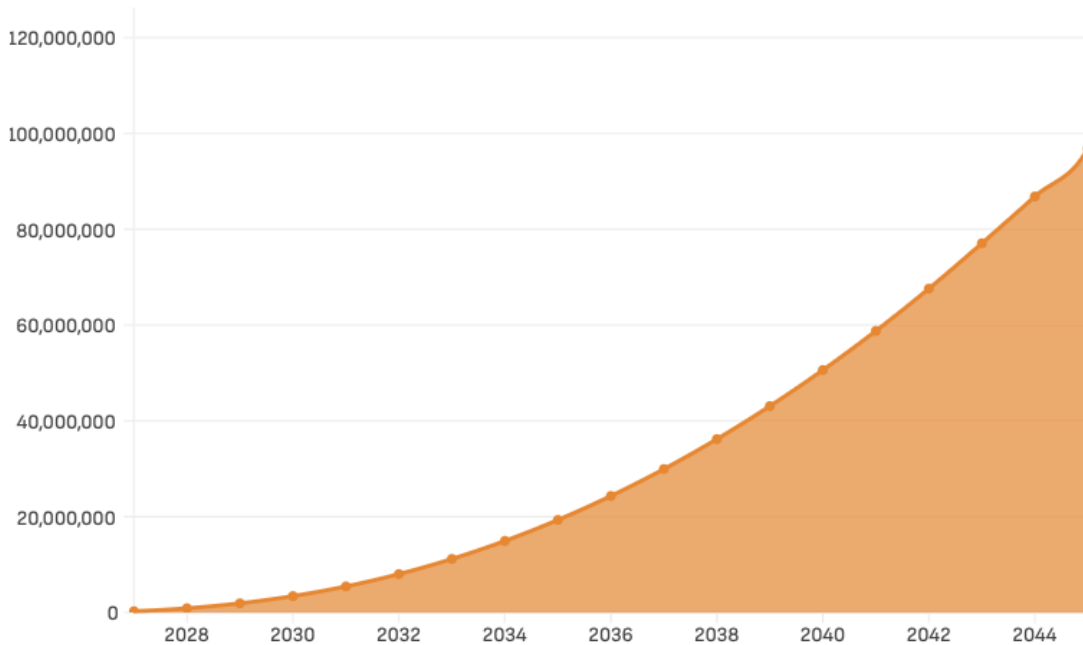
Avoiding this proposed EV fee in this STR is one of the most impactful actions Congress can take to reduce emissions and decrease transportation costs.

Evergreen modeled the emissions impact of House T&I's new proposed EV fee below, finding that this EV fee would increase climate emissions roughly equivalent to adding a catastrophic 26 coal fired power plants to the grid.

EV fee proposed in this Surface Transportation Reauthorization would massively increase climate pollution

By effectively increasing the cost of battery electric vehicles and hybrid electric vehicles, the proposal of a \$130–150 recurring fee on BEVs and a \$35–50 recurring fee on hybrid EVs would push drivers to instead purchase internal combustion engine vehicles, which would create more tailpipe and climate pollution.

MT CO2e Additional Climate Pollution – Cumulative



Source: Evergreen Action

These fees would generate only a small fraction of the revenue needed to make the Highway Trust Fund solvent, while imposing outsized costs on consumers. Dozens of states have already [implemented their own EV fees](#), compounding the burden on drivers.

Even a smaller or scaled-back EV fee would still have enormous consequences. Any meaningful annual fee erodes the cost advantage of electric vehicles, slows adoption, and increases pollution.

This proposal is a new tax on consumers at a time when transportation is the second-largest household expense, behind only housing. By raising the upfront and ongoing costs of EVs, EV fees would make it harder for families to choose cleaner, cheaper-to-operate cars. Instead, they would push consumers towards vehicles that are more expensive to operate and maintain.

Members of Congress should reject any new consumer tax on EVs in the STR and instead focus on policies that lower costs, strengthen energy security, and deliver real savings for American families.