



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 1031** HLS 22RS 432
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 11, 2022 1:13 PM	Author: FREIBERG
Dept./Agy.: Louisiana Department of Revenue	Analyst: Prashant Sastry
Subject: Road usage fees for electric and hybrid vehicles	

MOTOR VEHICLES EG INCREASE SD RV See Note Page 1 of 1
 Imposes a road usage fee on certain electric and hybrid vehicles

Proposed law levies a road usage fee of \$110 per year on each electric vehicle and an annual road usage fee of \$60 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay a vehicle registration license tax in accordance with present law. Proposed law defines "electric vehicle" and "hybrid vehicle". Proposed law requires the Louisiana Department of Revenue (LDR) to require each person filing an individual tax return to report and certify the number of electric and hybrid vehicles registered in the state and owned by the filer, and further requires LDR to collect the proposed fees at the same time and in the same manner as it collects taxes owed in connection with the individual income tax return filed by the owner of an electric or hybrid vehicle. Proposed law requires proceeds from the fees generated to be deposited as follows: 70% of the proceeds be deposited into the Construction Subfund of the Transportation Trust Fund; 30% of the proceeds be deposited into the Parish Transportation Fund and distributed to local governments in accordance with the formula set forth in present law.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$61,680	\$0	\$0	\$0	\$0	\$61,680
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$61,680	\$0	\$0	\$0	\$0	\$61,680

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

LDR reports that implementation of proposed law will result in approximately \$61,680 in additional expenditures. Implementation of this law will incur \$25,680 in programming, testing, and system development costs for the changes to the resident and the part-year resident forms/templates. Additionally, LDR reports that there is a cost of \$36,000 to add a line to the resident and part-year resident returns.

REVENUE EXPLANATION

Proposed law will increase revenues for the constitutionally dedicated Construction Subfund of the Transportation Trust Fund and the Parish Transportation Fund by an indeterminable amount. Proposed law levies a road usage fee of \$110 per year on each electric vehicle and a road usage fee of \$60 per year on each hybrid vehicle. The proceeds of the fees imposed by proposed law shall be deposited as follows:

- (1) 70% of the proceeds shall be deposited into the Construction Subfund of the Transportation Trust Fund for use by the Department of Transportation and Development on road and bridge preservation projects included in the Highway Priority Program
- (2) 30% of the proceeds shall be deposited into the Parish Transportation Fund and distributed to local governments in accordance with the formula set forth in present law.

LDR cites a 2021 report by the Louisiana Clean Cities that estimates that as of September 2020, there were 2,929 vehicles in Louisiana that would be required to register under proposed law (1,750 electric vehicles and 1,179 hybrid vehicles). Based on these estimates, the road usage fees would generate an annual revenue of \$263,240 (1,750 EVs x \$110/yr. = \$192,500 plus 1,179 hybrids x \$60/yr. = \$70,740 totals \$263,240). However, the LFO cannot independently verify the number of electric vehicles and hybrid vehicles currently registered in the state, nor can it forecast the number of electric and hybrid vehicles that will register in the future.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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 Interim Deputy Fiscal Officer