

FUEL TAX POLICY PROPOSAL

1. Issue Summary

Currently, only gas-powered vehicles contribute to the maintenance and development of Florida's transportation infrastructure through the fuel tax, collected at the gas pump. Electric Vehicles (EVs), which are powered by electricity rather than gasoline, do not pay this tax, yet still utilize the same roadways. This creates an imbalance in transportation funding, as more EVs on the road means less fuel tax revenue collected. The desired policy change is to implement a system or fee structure that ensures EV owners contribute their fair share to roadway maintenance and improvement—equivalent to what is paid through traditional fuel taxes.

2. Background

Florida's transportation infrastructure is heavily funded by state and federal fuel taxes, which have historically aligned with gasoline and diesel consumption. However, the increasing adoption of electric vehicles has begun to erode this revenue stream.

In response, Florida has taken initial steps to address this issue. Notably:

- **In 2021, SB 140 and HB 819** were filed to establish an **annual fee for electric and hybrid vehicles** to compensate for lost fuel tax revenue.
- These bills **did not pass**, but they brought attention to the need for equitable road usage contributions.
- As of 2025, Florida has yet to implement a statewide electric vehicle fee structure, although several other states have successfully adopted annual electric vehicle road use fees ranging from \$100–\$200.

Without a revised policy, the gap in infrastructure funding will continue to grow as electric vehicle adoption increases.

3. Analysis

At the county level, decreased fuel tax revenue directly reduces the funds available for road repair, maintenance, and infrastructure upgrades. Roads deteriorate at the same rate regardless of the type of vehicle, yet counties are forced to stretch limited fuel tax funds across increasing maintenance needs as the cost of materials continue to rise.

Statewide, the continued growth of electric vehicles will significantly reduce fuel tax income unless alternative funding mechanisms are enacted. This will result in broader strain on the County's capacity to maintain local roads.

4. Fiscal Impact

The fiscal impact of not addressing this issue is substantial.

- According to a 2023 report from the Florida Department of Transportation, electric vehicles contributed less than 1% to transportation revenues despite making up 4% of registered vehicles.
- Fuel tax revenues will continue to decline annually if no changes are made.
- Implementing an annual electric vehicle fee of \$150 per vehicle could generate over \$150 million annually once Florida surpasses 1 million registered electric vehicles.

This proposed policy change would restore fairness and financial sustainability to Florida's transportation funding framework.