

A \$150 fee is a punitive, regressive tax that disproportionately affects working-class EV adopters, creates inequality for a growing share of drivers, fails to address Highway Trust Fund Insolvency, and negatively impacts climate progress. Both new and used EVs are more affordable than ever, but a punitive \$150 annual fee would disrupt that progress and harm consumers.

- **A punitive fee level of \$150 disproportionately impacts working-class adopters of clean technology.**
 - The used car market represents [76% of vehicle registrations](#) in the U.S., with a host of affordable EV options available. [56% of used EVs sold for \\$30,000](#) or less in January 2026; increasing these costs would have a major impact on buyers, as the used market represents.
 - Even in the new car market, around [12 electric vehicle models](#) now fall under \$40,000, including some of the best-selling EV models (e.g. Chevrolet Equinox EV, Tesla Model 3, Hyundai Ioniq 5).
 - The psychological impact of a fee deters [11% of consumers](#) from buying an EV, particularly “nontraditional buyers” (i.e., newer, more diverse, and less affluent adopters).
 - This annual lump-sum fee is disconnected from drivers’ actual road use, so lower-income individuals would pay the same to drive a less expensive used car as higher-income individuals would spend on a luxury project.
- **\$150 annual fees are truly punitive to American EV adopters**, requiring EV drivers to pay an additional \$61-77 over the average [\\$73-89](#) paid in annual gas tax, effectively doubling costs for having chosen an EV.
- **EV drivers [already pay more in taxes](#) than drivers of other vehicles** in 35 states and the District of Columbia. In 16 states, EV drivers pay over \$150 today, before any federal-level fee is assessed.
 - In fact, [45 states collect at least one EV tax or fee](#), 28 states collect at least two taxes or fees, and three states collect at least three taxes and fees.
- **A punitive fee would also have significant, compounding impacts on emissions reductions over time** in the transportation sector.
 - An annual \$100 fee installed in 2026 would result in a cumulative fleet in 2030 with around [112,000 fewer EVs](#), compared to a no-fee scenario. A \$150 annual EV fee, meanwhile, would reduce the EV fleet in 2030 by about 167,000.
 - With an annual fee of \$100, the 112,000 missing EVs on the road would result in 1.4 million tons of foregone CO₂ reductions compared to no fee. This impact gets even more pronounced with a \$150 fee, translating to 2 million tons in foregone CO₂ reduction.
 - This yields an estimated difference of 686,000 tons of CO₂ between the \$100 and \$150 fee levels over four years (2026-2030).
- **Despite all the harm to EV adoption, EV-specific fees wouldn’t even begin to address persistent HTF shortfalls.** Even assuming a substantial growth in EV sales, [CBO estimated that](#) a \$100 annual EV fee would raise an average of just \$2 billion in revenues over the 2024-2033 period, amounting to **only 8.3% of the HTF’s projected funding shortfall** over the same time period.