

ROAD FUNDING FAIRNESS: ELECTRIC VEHICLES VS. GAS CARS

Are EV Drivers Paying Their Share? Yes—And Then Some.

Background

As Michigan grapples with deteriorating roads and rising infrastructure costs, some people have singled out electric vehicles (EVs) as a reason for declining gas tax revenues. But the facts tell a different story: EV drivers already pay more per vehicle toward road upkeep than their gas-powered counterparts. It's time for a more equitable and data-driven funding solution.

Key Facts

✳ EVs Pay Higher Road Fees

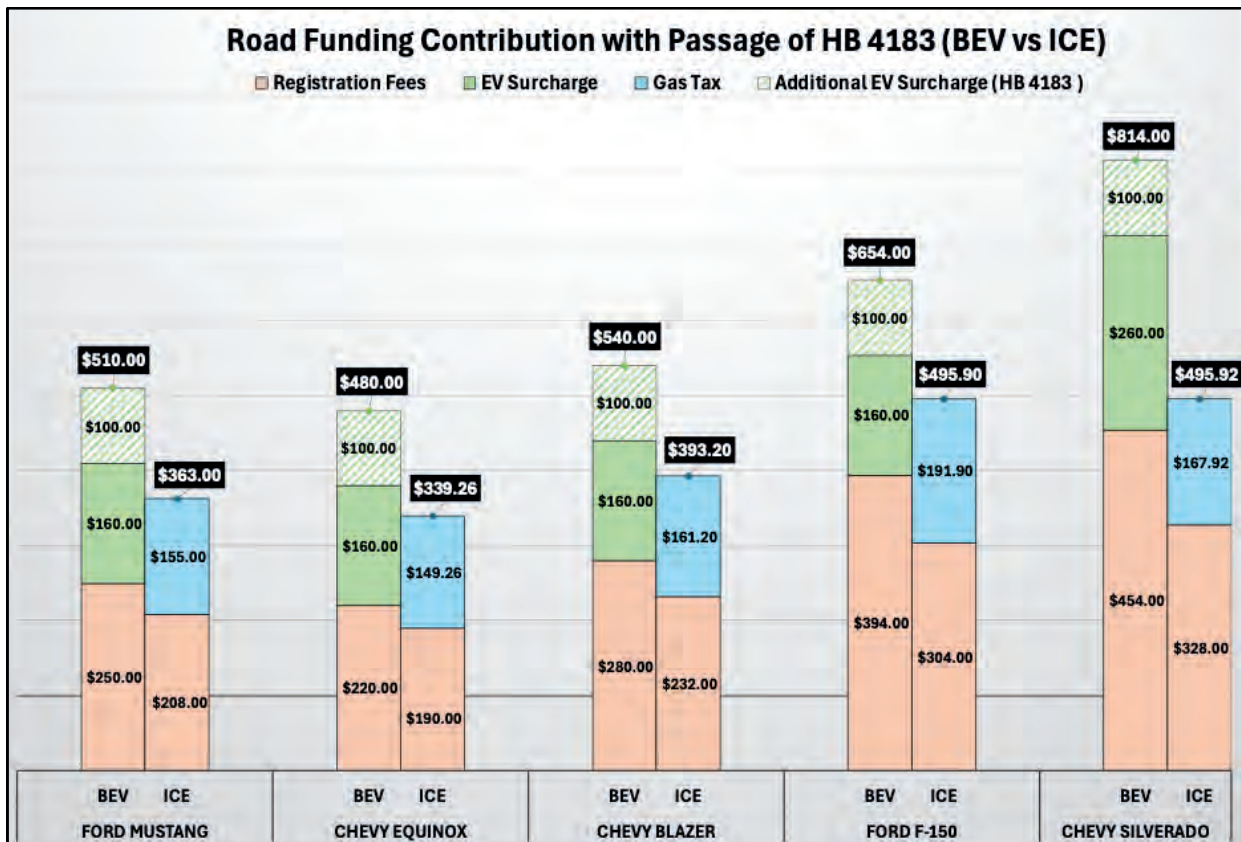
EV owners in Michigan already pay a \$160 annual surcharge on top of regular registration fees (\$260 for heavier models). That's a median of **\$47 more per year** in MI road-funding contributions than comparable gas-powered cars.

✳ Proposed legislation would penalize EV's

While revenue-neutral for gasoline vehicles, HB 4183 would **raise the annual surcharge on EVs from \$160 to \$260** and \$60 to \$110 for PHEVs, further penalizing drivers of electric vehicles.

✳ Fuel Efficiency Shrinks Gas Tax Revenues

Today's gas cars use less fuel than older models. Top-selling gas cars in 2025 will contribute **\$43 less per year** in gas taxes compared to their 2010 counterparts.



Estimated 2024 Highway Revenue Loss From Top Five New Gas Cars Sold in Michigan			
Car Model	Hwy Revenue Loss per car vs. 2010 models	# New Vehicles sold in MI in 2024	Total Hwy Revenue Loss top 2024 models vs. 2010 models
Chevrolet Equinox	\$ 11.07	25343	\$ 280,547.01
Chevrolet Silverado	\$ 35.56	24839	\$ 883, 274.84
Dodge Ram 1500	\$ 76.66	10534	\$ 807,536.44
Ford F 150	\$ 45.15	30206	\$ 1,363,800.90
Ford Escape	\$ 33.58	20158	\$676,905.64
Total Revenue Loss From Top 5 New Gas-fueled Vehicles			\$4,012,064.83

Gas Vehicles Still Dominate the Roads, and are Paying Less

With 99% of vehicles in Michigan still gas-powered, falling gas tax revenues from these cars—not EVs—are the main source of declining revenues. In fact, **owners of the Top 5 best-selling vehicles in 2024, all gas cars, contributed over \$4 million less than owners of older models of these same cars.**

Estimated 2024 Highway Revenue Increase From Top Five BEVs Sold in Michigan			
Car Model	Hwy Revenue Increase per car vs Gas (ICE) models	# of BEVs sold in MI in 2024	Total Hwy Revenue Increase from top 5 BEVs
Ford Mustang Mach-E	\$ 47.00	5186	\$ 243,742.00
Chevrolet Equinox EV	\$ 40.74	4036	\$ 164, 429.63
Chevrolet Blazer EV	\$ 46.80	4293	\$ 200,912.40
Ford F-150 Lightning	\$ 58.10	1326	\$ 77,034.29
Chevrolet Silverado EV	\$ 118.08	427	\$50,421.58
Total Revenue Increase From Top 5 New Battery Electric Vehicles			\$736,539.90

Conversely, **owners of the top 5 BEV models in Michigan cumulatively contributed more than \$700,000 in additional highway funding in 2024** compared to owners of their gas equivalents.

Policy Implications

Raising EV fees without addressing the real reasons for declining gas tax contributions would unfairly penalize a small but growing group of cleaner vehicle users—while ignoring the primary source of lost revenue.

Instead, Michigan policymakers should consider:

- ✳ **Modernizing the road funding model** to reflect all vehicle types.
- ✳ **Adjusting the language in HB 4183** to ensure that EV drivers don't get hit with a big fee increase.
- ✳ **Evaluating usage-based fees** that are fair and sustainable.
- ✳ **Encouraging EV adoption** to reduce emissions, improve air quality, and support local jobs.

Bottom Line

EVs aren't draining road funds—they're actually overcontributing. Let's stop the blame game and find a solution that allows all drivers to pay their fair share.

For more information, visit www.ecocenter.org/evs-and-hybrids-are-not-blame-road-funding-losses