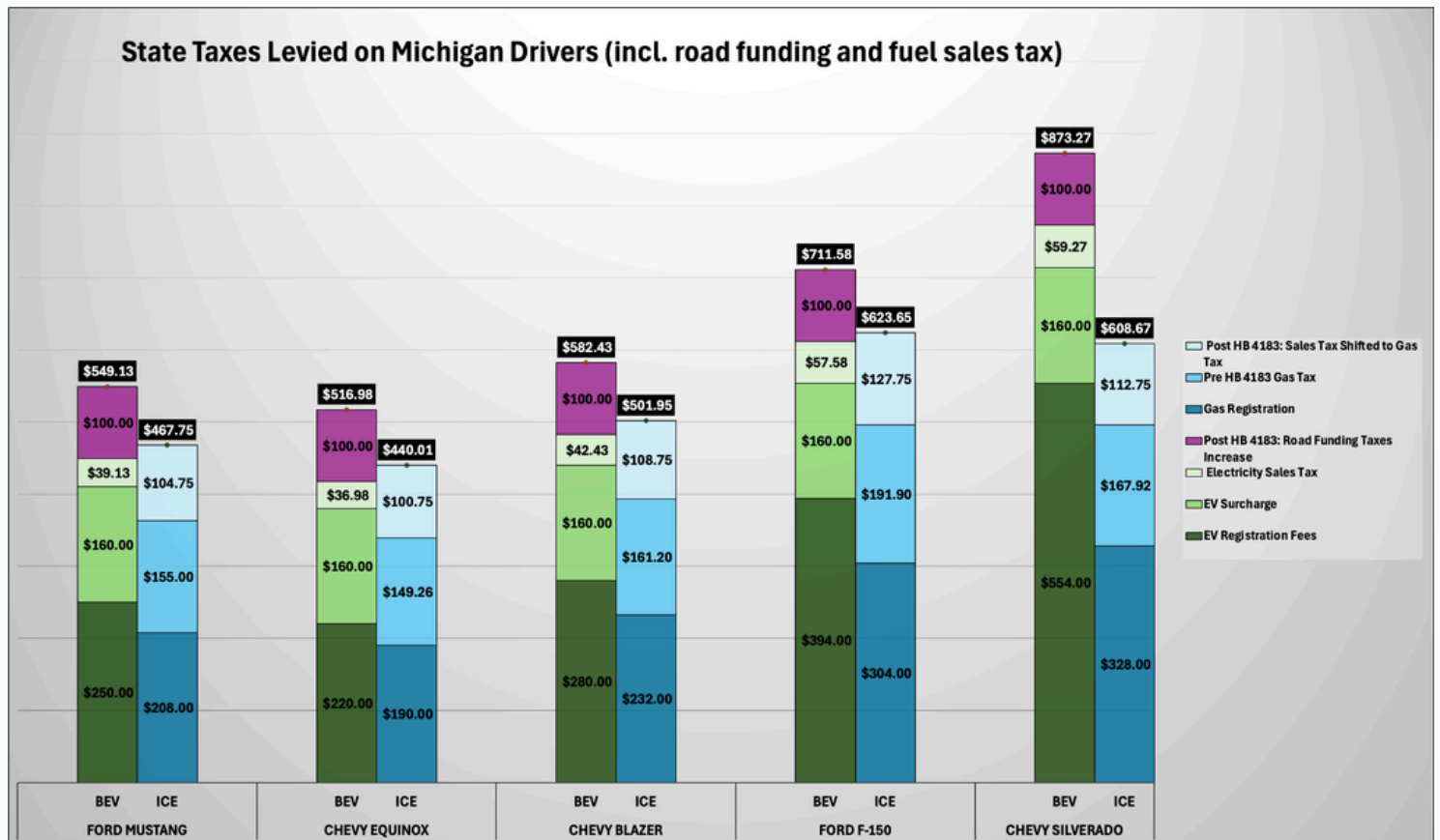


Support SB 593 and STOP Michigan from Levying the Highest EV Taxes in the Nation

As of Jan. 1, 2026, EV drivers now pay an additional \$100, or 60% more per year in annual electric vehicle registration surcharges -- significantly more than what similar gas vehicle drivers pay in gas taxes and fees. This is the result of recent road funding legislation that altered how gas taxes are assessed, diverting more of those revenues to road maintenance. But while taxes that owners of gasoline vehicles pay remain essentially the same, this change triggered a significant increase in fees assessed on electric vehicles. When combined with the \$160 fee previously levied on EV drivers and the base registration fee that all drivers pay, drivers of popular new battery electric vehicle (EV) models in MI now pay on average \$646 per year in state taxes. Whereas drivers of gasoline internal combustion (ICE) versions of those very same models pay only \$528 on average - a \$118 difference!



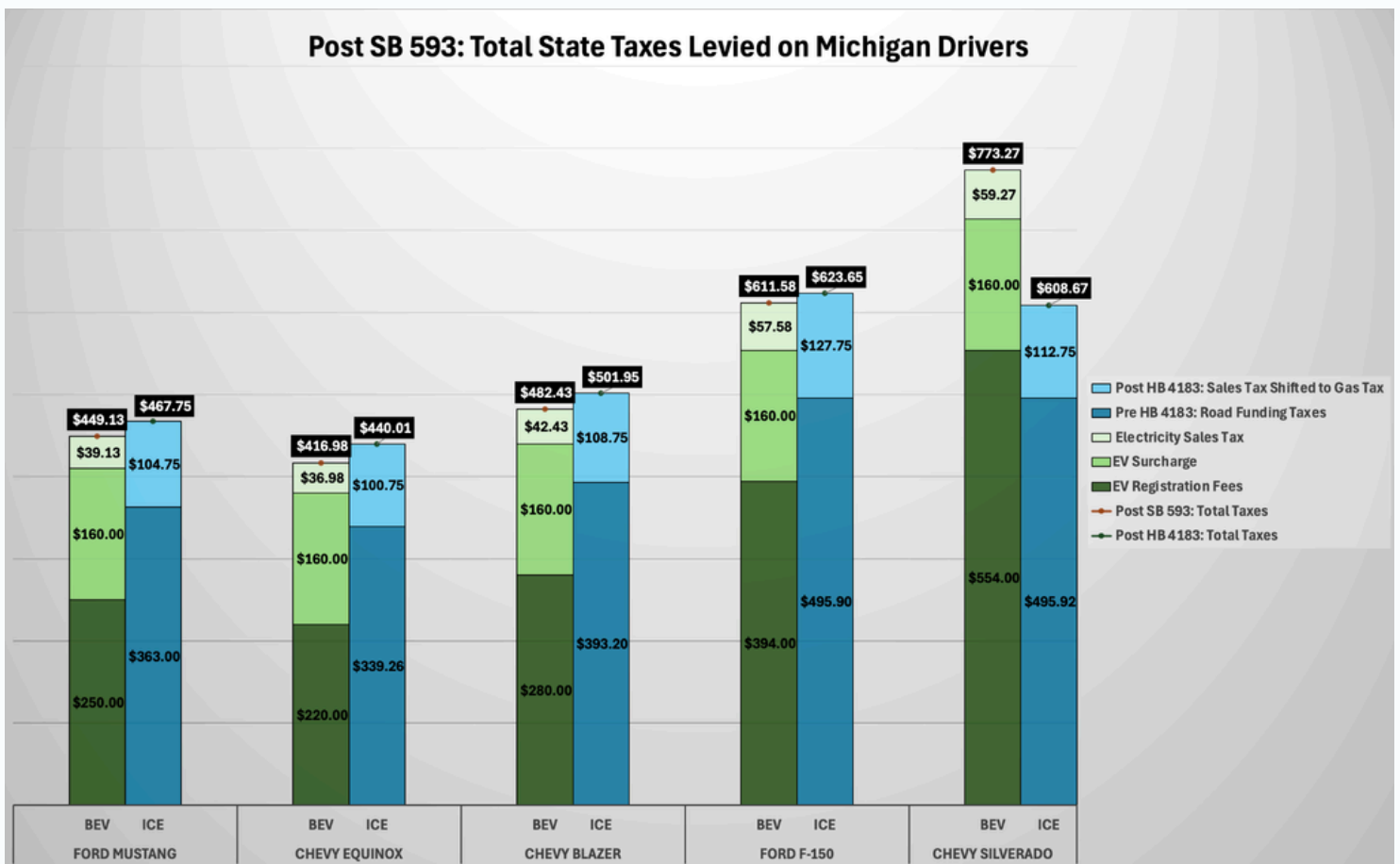
Note: The sales tax on electricity is included on the graph to maintain a fair representation of taxes paid, since the sales tax on gas was repealed and shifted to the highway fund, while EV drivers still pay sales taxes on electricity.

It is commonly assumed that EV drivers pay lower fees than ICE vehicle drivers, since they don't pay a gas tax. However, for the last decade EV drivers have paid a surcharge and higher registration fees that more than make up for not paying a tax at the pump, according to the Ecology Center's analysis. The recent fee increase resulting from Michigan's new road funding legislation deepens the disparity that EV drivers now pay, since ICE drivers still pay the same at the pump. While elected leaders had promised that the road funding package would be revenue neutral for drivers, this was not at all true for EV drivers and thus represents a broken promise for this group of Michigan taxpayers.

SB 593: a Workable Solution to MI's EV Fee Hike

Fortunately, legislation has been introduced to fix this disparity – SB 593. If passed, the legislation would rescind the EV fee increase and restore the fee levels that were previously in place. While EV drivers would still on the whole be paying more than most ICE drivers (around \$18 more on average), the disparity would be significantly reduced. In the Ecology Center’s most recent analysis, we included in our comparison the sales tax that ICE drivers previously paid on gasoline--that are now applied to road maintenance--along with the sales tax that EV drivers still pay on electricity to charge their vehicles. Previously, sales taxes were left out of our comparisons because those revenues were not applied to road maintenance.

The graph below shows the impact of implementing SB 593, by removing the fee increase that was imposed by HB 4183.



With passage of SB 593, drivers would be more fairly taxed compared to their gasoline counterparts.

Beyond the fairness issue, the \$100 EV fee increase also fails to raise significant new revenue. As EVs are still only about 1% of registered vehicles in MI, the total estimated increase in revenue collected from EV drivers post HB 4183 is only \$9.9 million per year. A more reasonable alternative to an excessive new fee on a small group of EV drivers would be a modest increase on all vehicles. For example, had a blanket increase of just \$1.50 per registered car been enacted instead, the total revenue increase would be over \$12 million. While SB 593 does not include a provision for an alternative revenue increase, it does pave the way for consideration of a more fair and sustainable road funding approach.