

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 128

Short Title: Electric Vehicle Highway Use Equalization Tax. (Public)

Sponsors: Representatives Kidwell, Pless, Ward, and Tyson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Transportation, if favorable, Finance, if favorable, Rules, Calendar, and
Operations of the House

February 16, 2023

A BILL TO BE ENTITLED

AN ACT TO ENACT THE ELECTRIC VEHICLE HIGHWAY USE EQUALIZATION TAX.

Whereas, the motor fuel excise tax, paid by the users of gas and diesel fueled motor vehicles, contributes to the development and maintenance of the State highway system; and

Whereas, the users of electric vehicles do not contribute to the development and maintenance of the State highway system by payment of the motor fuel excise tax; and

Whereas, there is reason to believe that electric vehicles cause at least as much if not more wear and tear on State roads; and

Whereas, in order to equalize the burden between the users of gas and diesel fueled motor vehicles and the users of electric vehicles; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 36E.

"Electric Vehicle Highway Use Equalization Tax.

"§ 105-449.150. Definitions.

The following definitions apply to this Article:

- (1) Reserved for future codification purposes.
- (2) Reserved for future codification purposes.
- (3) Electric vehicle. – Any vehicle that is a fuel cell electric vehicle.
- (4) Reserved for future codification purposes.
- (5) Reserved for future codification purposes.
- (6) Fuel cell electric vehicle. – As defined in G.S. 20-4.01.

"§ 105-449.155. Purpose; rate.

(a) There is imposed an electric vehicle highway use equalization tax on any electric vehicle registered in the State to provide revenue for the development and maintenance of the statewide transportation system.

(b) For the period that begins on January 1, 2024, and ends on December 31, 2024, the electric vehicle highway use equalization tax is a flat rate of one and two-tenths cents (1.2¢) per mile multiplied by the number of miles traveled by the electric vehicle the previous calendar year. For calendar years beginning on or after January 1, 2025, the electric vehicle highway use equalization tax is the amount for the preceding calendar year, multiplied by the percentage calculated under G.S. 105-449.80.

"§ 105-449.160. Payment.



1 (a) For an electric vehicle owned by an individual that is not required to file an individual
2 income tax return under Part 2 of Article 4 of this Chapter, the annual reporting period ends on
3 the last day of the calendar year and the electric vehicle highway use equalization tax return is
4 due by the following April 15.

5 (b) For an electric vehicle owned by an individual that is required to file an individual
6 income tax return under Part 2 of Article 4 of this Chapter, the annual reporting period ends on
7 the last day of the individual's income tax year and the electric vehicle highway use equalization
8 tax shall be paid on the individual's income tax return.

9 (c) For an electric vehicle that is owned by a corporation subject to the tax imposed by
10 Part 1 of Article 4 of this Chapter, the annual reporting period ends on the last day of the
11 corporation's income tax year and the electric vehicle highway use equalization tax shall be paid
12 on the corporation's income tax return.

13 (d) The Department of Revenue may verify the number of miles reported pursuant to this
14 section using Division of Motor Vehicles title and safety inspection records.

15 **"§ 105-449.165. Administration.**

16 The Secretary shall develop forms for reporting mileage and adopt regulations to administer
17 and collect the electric vehicle highway use equalization tax imposed under this Article."

18 **SECTION 2.** The Department of Revenue, acting through the Property Tax Division,
19 and the Department of Transportation, acting through the Division of Motor Vehicles, are
20 directed to enter into a memorandum of understanding concerning the administration of this
21 Article.

22 **SECTION 3.** Except as otherwise provided, this act becomes effective January 1,
23 2024.