

717 W. 4th St.

Haysville, KS 67060

January 27, 2023

To: The House Committee on Taxation

Topic: Opposition to HB 2004, the EV Energy Equity Road Repair Tax

I am opposed to HB 2004 for the following reasons:

- This is a new tax. Republicans are generally opposed to creating new taxes or raising existing taxes.
- The Kansas legislature recently increased the registration fees on hybrids by \$50 and on EVs by \$100. These vehicles are now paying a greater tax per vehicle than vehicles using internal combustion engines (ICEs). Also, adding this would be double taxation.
- This would move Kansas in the wrong direction. Eight states and the US government are now providing incentives for EV purchases because of their benefit to their states and to the country.
- The penalties for violating the law are severe and unreasonable. They will discourage the development of charging stations and the sale and use of EVs.
- The tax and required record keeping would be burdensome on EV charging stations, particularly those who supply free charging for the benefit of Kansas citizens and visitors.
- It is not equitable. If the legislature is concerned about vehicle taxes paying for road repair, they should consider raising the gasoline tax. It was \$0.24 a gallon in 2004, and considering inflation, should now be \$0.57 a gallon. Check how your constituents would feel about that.
- EVs reduce air pollution and carbon emissions. There are currently 47.1 deaths from respiratory diseases per 100,000 Kansas residents, much of that caused by air pollution.
- It will indirectly hurt Kansas exports. The G-7 countries, Canada, the EU, South Korea, and Japan will soon impose tariffs on goods imported from the US if we do not meet our country's carbon emission reduction goals. This will, in particular, affect our agricultural and aircraft businesses. Kansas needs to do its part by encouraging the use of EV's.
- It will hurt EV sales in Kansas. The Kansas automobile dealers, particularly those who provide free charging to attract customers, are sure to oppose this law.
- It will cost Kansas both jobs and money. The inflation reduction act has allocated \$40 million for building charging stations in Kansas and the Volkswagen settlement plan has \$2

million available. Discouraging the building of charging stations would cost both the incentive money and the jobs it would provide.

- It is bad for Kansas businesses. Many businesses provide free charging stations as part of their marketing plan to attract customers and to keep existing customers.
- It will discourage tourism and truck travel in Kansas. People with EVs and EV trucks will avoid Kansas if there are not sufficient charging stations.
- It is bad for Kansas's reputation. Kansas now ranks among the nine worst states for EVs because of its ban on direct sales, its lack of incentives, and the \$100 registration fee. Enacting this tax would move KS near the bottom. How does it look that we are now building a \$4 billion EV battery plant while we are at the same time discouraging the use of electric vehicles?
- There are better ways to accomplish the same goal. One way would be to record odometer readings when vehicles are registered, and then charge all vehicles a road tax based on the miles driven and the weight of the vehicle.
- Haste is not required. This is a nationwide problem and the U.S. Congress will likely be acting soon to resolve it. Currently, the Transportation Department reports there are only about 6000 hybrids and EVs registered in Kansas, which is about .4% of all vehicles. Most EV owners charge their vehicles at home, so the money raised would be minuscule compared to the disadvantages this bill would cause.

I hope the transportation committee will not recommend this bill. EVs are not the cause of the poor road conditions in Kansas and taxing EV chargers is not the solution. At the minimum, the bill should be delayed until all the ramifications are considered and better solutions are explored.

Respectfully submitted,

Jesse C. Moore