

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40064-MWf-2

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

Sponsors: Representative Kidwell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE ELECTRIC VEHICLE HIGHWAY USE EQUALIZATION TAX.

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

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

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

9 Whereas, in order to equalize the burden between the users of gas and diesel fueled
10 motor vehicles and the users of electric vehicles; Now, therefore,

11 The General Assembly of North Carolina enacts:

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

14 "Article 36E.

15 "Electric Vehicle Highway Use Equalization Tax.

16 "§ 105-449.150. Definitions.

17 The following definitions apply to this Article:

18 (1) Reserved for future codification purposes.

19 (2) Reserved for future codification purposes.

20 (3) Electric vehicle. – Any vehicle that is a fuel cell electric vehicle.

21 (4) Reserved for future codification purposes.

22 (5) Reserved for future codification purposes.

23 (6) Fuel cell electric vehicle. – As defined in G.S. 20-4.01.

24 "§ 105-449.155. Purpose; rate.

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

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

34 "§ 105-449.160. Payment.

35 (a) For an electric vehicle owned by an individual that is not required to file an individual
36 income tax return under Part 2 of Article 4 of this Chapter, the annual reporting period ends on



1 the last day of the calendar year and the electric vehicle highway use equalization tax return is
2 due by the following April 15.

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

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

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

13 **"§ 105-449.165. Administration.**

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

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

20 **SECTION 3.** Except as otherwise provided, this act becomes effective January 1,
21 2024.