



October 3, 2023

The Honorable Haraz N. Ghanbari
Chair, House Homeland Security Committee
1 Capitol Square
Columbus, Ohio 43215

HB 13: Redefine "Hybrid Motor Vehicle" For Registration Fee Purposes Position: Support

Dear Chair Green:

The Alliance for Automotive Innovation (Auto Innovators) appreciates the opportunity to provide the auto industry's perspective as Ohio considers the State's road funding needs and the appropriate taxation of electric vehicles (EVs). Auto Innovators is writing in **support of HB 13** which reduces registration fees for hybrid vehicles.

From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – the Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. The auto industry supports over 300,00 direct and indirect jobs in Ohio and contributes over 8% of the state's tax revenue.¹

Automakers recognize that states across the country, including Ohio, are navigating the expansion of electric vehicles (EVs) across the industry and how their increased adoption could impact transportation funding now and into the future. While EVs are certainly not the only cause of decreased highway spending power – internal combustion engines that improved fuel economy year-over-year and highway construction cost that has outpaced inflation have also played a role – we recognize that EVs have forced states to rethink the way they assess road funding collections. To that end, like Ohio, many states have adopted an EV fee to make up for lost collections through the state motor fuel tax. Ohio applies a fee of \$200 for battery electric vehicles (BEVs) and \$150 for plug-in hybrid electric vehicles (PHEVs).

However, Ohio also applies an additional \$100 registration fee on hybrid motor vehicles, which are effectively very efficient gas-powered vehicles. A hybrid cannot plug in to off-board sources of electricity to charge the battery. Instead, the vehicle uses regenerative braking and the internal combustion engine to charge. The vehicle captures energy normally lost during braking by using the electric motor as a generator and storing the captured energy in the battery. Owners of hybrids pay the same gas tax as other drivers and should not be burdened with an additional registration fee simply because they purchased a fuel-efficient vehicle.

¹ <https://www.autosinnovate.org/resources/insights/oh>

Although we understand the state's need to generate road funding, the additional \$100 tax on hybrids ignores the fact that these vehicles already contribute to the road fund. When additional taxes are levied on hybrid vehicles, like the \$100 fee, the result is a penalty on drivers who already contribute their fair share of gas tax.

We urge the committee to pass HB 13 and provide hybrid owners with relief from double taxation. Thank you for your consideration of Auto Innovators' request. Please do not hesitate to contact me at jfisher@autosinnovate.org or 202-326-5562, should I be able to provide any additional information.

Sincerely,

A handwritten signature in black ink that reads "Josh Fisher". The signature is written in a cursive, slightly slanted style.

Josh Fisher
Senior Director, State Affairs
Alliance for Automotive Innovation