

Submitter: Robert Waterhouse
On Behalf Of:
Committee: Joint Interim Committee On Transportation
Funding
Measure, Appointment or LC 2
Topic:

Subject: Proposed Taxation for Hybrid Vehicles

Dear Joint Interim Committee On Transportation Funding

I am writing to object to the proposed requirement for drivers of hybrid electric vehicles (HEV's) to enroll in Oregon's OReGO program. This move will result in double taxation of HEV's, making them pay both a gas tax and a mileage tax. The result penalizes drivers of hybrid vehicles and creates a disincentive for ownership of hybrids just as the consequences of climate change are hitting Oregon residents hard.

Here is an illustrative example of the magnitude of this disincentive:

Say I drive a Toyota Prius (3,200 lbs curb weight) 10,000 miles in a year with an average mileage of 50 mpg. In that year, I will purchase 200 gallons of gasoline and pay \$92 in gas tax at \$0.46/gal. In addition, I will pay \$0.02/mile through OReGO, for an additional \$200. My total tax is then \$292. This is equivalent to a gas-guzzling, heavy duty pickup (6000 lbs curb weight) that gets just 15.8 miles per gallon.

Clearly, this is not fair to the hybrid vehicle owner who is providing a benefit to all Oregonians by contributing less pollution and CO2 emissions to the environment. A fairer approach would be to lower the OReGO tax rate to \$0.005/mile, which would result in an equivalent taxation to a vehicle getting 32 mpg, such as the 2025 Chevrolet Malibu (3100 lbs curb weight).

I appreciate the current problem of a crisis in transportation funding, but any solution must take into account fairness to all Oregonians who use the roadways without abandoning Oregon's commitments to actions countering climate change.

Respectfully
Robert Waterhouse