

Submitter: Robert Waterhouse

On Behalf Of:

Committee: Joint Special Session Committee On Transportation
Funding

Measure, Appointment or Topic: HB3991

Subject: Proposed Taxation for Hybrid Vehicles

Dear Joint Interim Committee On Transportation Funding

I am in favor of the proposed increase in the gas tax. Oregon is experiencing the negative effects of climate change, with higher summer temperatures, increasing drought conditions and more and bigger forest fires.

However, I 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:

I drive a Toyota Prius (3,200 lbs curb weight) 10,000 miles a year with an average mileage of 50 mpg. 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 what a gas-guzzling, heavy duty pickup (6000 lbs curb weight) that gets just 15.8 miles per gallon would pay in gas tax.

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).

The case for electric vehicles is clear; they use the roadways in Oregon but contribute nothing in gas tax. A mileage tax makes sense for these vehicles, but it should be a fair one. The flat rate of \$0.02 per mile driven equates to a gas-fueled vehicle that gets only 23 miles per gallon, and it makes no distinction between a small EV (Nissan Leaf 3500 lbs) and a Tesla Cybertruck (6600 pounds). A fairer approach would be to adjust the mileage tax for vehicle weight, with heavier vehicles paying a higher rate, such as \$0.015/mile for the Nissan Leaf and \$0.025/mile for the Cybertruck.

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 submitted,

Robert Waterhouse

