

Mileage-based User Fee for Electric Vehicles: Introduction of Proposed Statutory Framework

HOUSE WAYS AND MEANS COMMITTEE, MARCH 19, 2026

PATRICK Ó. MURPHY, STATE POLICY DIRECTOR, AGENCY OF TRANSPORTATION

MBUF for EVs in Legislation

- ✓ Authorized Agency to apply for federal grant funds, while establishing broad parameters within which to draft a legislative report and implementation plan (**2023 [Act 62](#)**)
- ✓ Enacted flat fee for plug-in electric vehicles and linked revenue to EV infrastructure funding (**2024 [Act 148](#)**)
- ✓ Revised outline of MBUF program based on legislative report and set a deadline (January 2027) for mandatory fee for electric vehicles to replace EV infrastructure (flat) fee for BEVs (**2025 [Act 43](#)**)
- ❑ Proposal to implement MBUF for BEVs on January 1, 2027, amending EV infrastructure fee and charting transition from flat fee to mileage-based user fee (**2026 [H.944](#)**)

2025 Transportation Bill (Act 43, Sections 17-18)

Sec. 18. INTENT

It is the intent of the General Assembly that:

(1) the mileage-based user fee for a BEV pleasure car be approximately equivalent to the average amount collected by the State in fuel tax revenue from the use of a non-PEV pleasure car registered in Vermont and the average amount collected by the State in fuel tax revenue and Electric Vehicle Infrastructure fee from the use of a PHEV pleasure car; and

(2) that the mileage-based user fee for BEV pleasure cars will be an interim step towards gradually expanding the mileage-based user fee to all motor vehicles upon elimination of the State fuel taxes for motor vehicles.

Ford F-150: 2013 - present

<p>2013 Ford F150 Pickup 4WD X</p> <p>Gasoline Vehicle</p> <p>© Ford Motor Company</p>  <p>6.2 L, 8 cyl, Automatic (S6)</p> <p>MSRP: \$28,710 - \$53,300</p>	<p>2025 Ford F150 Pickup 4WD X</p> <p>Gasoline Vehicle</p>  <p>5.0 L, 8 cyl, Automatic (S10)</p> <p>MSRP: \$42,465 - \$75,210</p>	<p>2025 Ford F150 Pickup 4WD HEV X</p> <p>Hybrid Vehicle Gasoline</p>  <p>3.5 L, 6 cyl, Automatic (S10), Turbo</p>	<p>2025 Ford F-150 Lightning 4WD ER1 X</p> <p>Electric Vehicle</p>  <p>Automatic (A1)</p>
<p>Regular Gasoline</p> <p>13 MPG combined city highway 7.7 gal/100mi</p> <p>Gasoline  338 - 468 miles Total Range</p>	<p>Regular Gasoline</p> <p>19 MPG combined city highway 5.3 gal/100mi</p> <p>Gasoline  437 - 684 miles Total Range</p>	<p>Regular Gasoline</p> <p>23 MPG combined city highway 4.3 gal/100mi</p> <p>Gasoline  529 - 828 miles Total Range</p>	<p>Electricity</p> <p>70 MPGe combined city highway 48 kWh/100 mi</p> <p>Electricity  320 miles Total Range</p>
<p>\$271 annually On 11,000 miles</p> <p>\$0.025 / mile</p>	<p>\$185 annually On 11,000 miles</p> <p>\$0.017 / mile</p>	<p>\$153 annually On 11,000 miles</p> <p>\$0.014 / mile</p>	<p>\$89 annually On 11,000 miles</p> <p>\$0.008 / mile</p>

Average Annual User Fees

Credit: EPA Fuel Economy

Proposed Mileage-based User Fee for EVs

Ford F-150:
2013 - present

2013 Ford F150 Pickup 4WD	2025 Ford F150 Pickup 4WD	2025 Ford F150 Pickup 4WD HEV	2025 Ford F-150 Lightning 4WD ER1
 Gasoline Vehicle 	 Gasoline Vehicle 	 Hybrid Vehicle Gasoline 	 Electric Vehicle 
6.2 L, 8 cyl, Automatic (S6) MSRP: \$28,710 - \$53,300	5.0 L, 8 cyl, Automatic (S10) MSRP: \$42,465 - \$75,210	3.5 L, 6 cyl, Automatic (S10) Turbo MSRP: \$42,465 - \$75,210	Automatic (A1)
Regular Gasoline  13 MPG combined city highway 7.7 gal/100mi	Regular Gasoline  19 MPG combined city highway 5.3 gal/100mi	Regular Gasoline  23 MPG combined city highway 4.3 gal/100mi	Electricity  70 MPGe combined city highway 48 kWh/100 mi
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\$0.025 / mile	\$0.017 / mile	\$0.014 / mile	\$0.014 / mile

Average Annual User Fees

Credit: [EPA Fuel Economy](#)

2026 Transportation Bill ([H.944](#), Section 19)

Sec. 19. 23 V.S.A. chapter 43 is added to read:

CHAPTER 43. MILEAGE-BASED USER FEE § 4301. PURPOSE

The purpose of this chapter is to impose a mileage-based user fee for battery electric vehicle pleasure cars to ensure that battery electric vehicles contribute to the Transportation Fund in an amount that reflects the annual miles traveled by each vehicle.

UVM Transportation Research Center recommended an initial **1.4 ¢ per mile** rate for BEVs

Approx. **equivalent** to what current gas and diesel vehicle owners pay in **motor fuel taxes**

Using a **5-year average** accounts for fluctuations in gas prices that effect the state tax

ICEV-Equivalent
Mileage Fee

=

5-year Average State Gas Tax

2023 Distance-weighted Average Light-Duty Fuel Economy

Recent data prevents BEV owners from paying much more than current ICEV owners

Distance weighting controls for the fact that vehicles are driven different amounts

Fuel economy comes from the 2023 VT gas and diesel vehicle registrations, matched by vehicle attributes to EPA light-duty fuel economies

MBUF Rate Calculation: \$0.014 per mile

(c) Calculation of the mileage-based user fee.

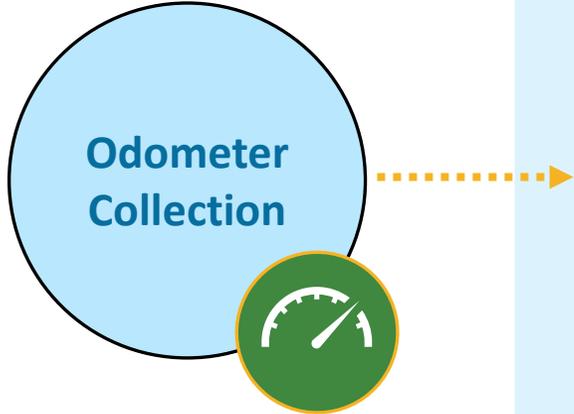
For mileage reporting periods commencing in calendar year 2027, the Commissioner shall calculate the mileage-based user fee at the rate of \$0.014 per mile traveled by each BEV during its mileage reporting period. The number of miles traveled shall be equal to the difference between the mileage shown on the BEV's odometer at the end of the mileage reporting period and the mileage shown on the BEV's odometer at the beginning of the mileage reporting period.

MBUF Rate Comparisons

Program Attributes	Utah	Oregon (Current)	Oregon (Proposed)	Hawaii	Virginia	Vermont (Proposed)
Administrative Model	DOT via single CAM	DOT via multiple CAMs/OAM	DOT via multiple CAMs	DOT via DMVs (No CAM)	DMV via single CAM	DMV - no Commercial Account Manager (CAM)
Reporting Options	Telematics/Odo Photo	OBD-II/Telematics/Odo Photo	TBD	Odometer @ annual safety inspection	OBD-II/Telematics	Odometer @ annual safety inspection
Annual Registration Surcharge	EV = \$143.25	EV = \$115; 40+ MPG = \$35	EV = \$340; 40+ MPG = \$35	EV = \$50	EV = \$131.88; gas cars vary by MPG	PHEVs = \$77
Eligible Vehicle Types	EVs	EVs and 20+ MPG	EVs and 20+ MPG	EVs	EVs and 25+ MPG	EVs
RUC Rate	\$0.0111/mi Reduced from \$0.015/mi	\$0.02/mi (5% of 20 mpg fuel tax)	\$0.023/mi	\$0.008 for EVs + Regional RUC	\$0.019/mi for EVs	\$0.014/mi for EVs
RUC Cap	\$143.25/yr	N/A	N/A	\$50/yr	EVs = \$131.88; varies for 25+ MPG cars	N/A
Mandatory/Voluntary RUC	Voluntary	Voluntary	EVs voluntary until 7/1/27, then mandatory. 20+ MPG Voluntary	Voluntary now but mandatory 7/1/28	Voluntary	Mandatory
RUC Payment Frequency / Method	Quarterly e-wallet	Monthly e-wallet	Monthly e-wallet	Annual with registration	Monthly e-wallet	Monthly, annually, possibly pay-go

System Setup

Annual Safety Inspection

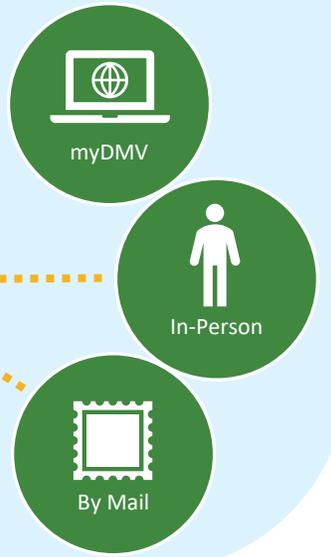
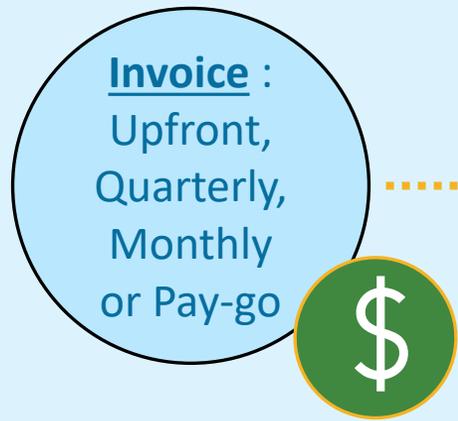


Registration or Renewal



VT TRIPS

VERMONT TITLE, REGISTRATION, IDENTIFICATION, AND PERMITTING SYSTEM



Sections 19-21: MBUF Implementation

- Calculation of user payment, applying rate to miles traveled between annual inspections
- User choice of payment options—upfront, quarterly, monthly, pay-as-you-go
- Compliance mechanisms—default flat fee at 98 percentile, registration denial, penalties for failure to pay when due, etc.
- User ability to appeal invoices
- Transition from EV infrastructure fee to MBUF

Section 22: Allocation of MBUF Revenue in FY27

Sec. 22. ALLOCATION OF FISCAL YEAR 2027 MILEAGE-BASED USER FEE REVENUES

All net revenues generated by the mileage-based user fee in State fiscal year 2027 shall be allocated to the appropriation for general State aid to town highways pursuant to 19 V.S.A. § 306(a) in State fiscal year 2028. The amounts allocated pursuant to this section shall be in addition to any amounts appropriated pursuant to the requirements of 19 V.S.A. § 306(a).



University of Vermont
Transportation Research Center

Vermont Mileage Fee Rate Setting: Additional Analysis

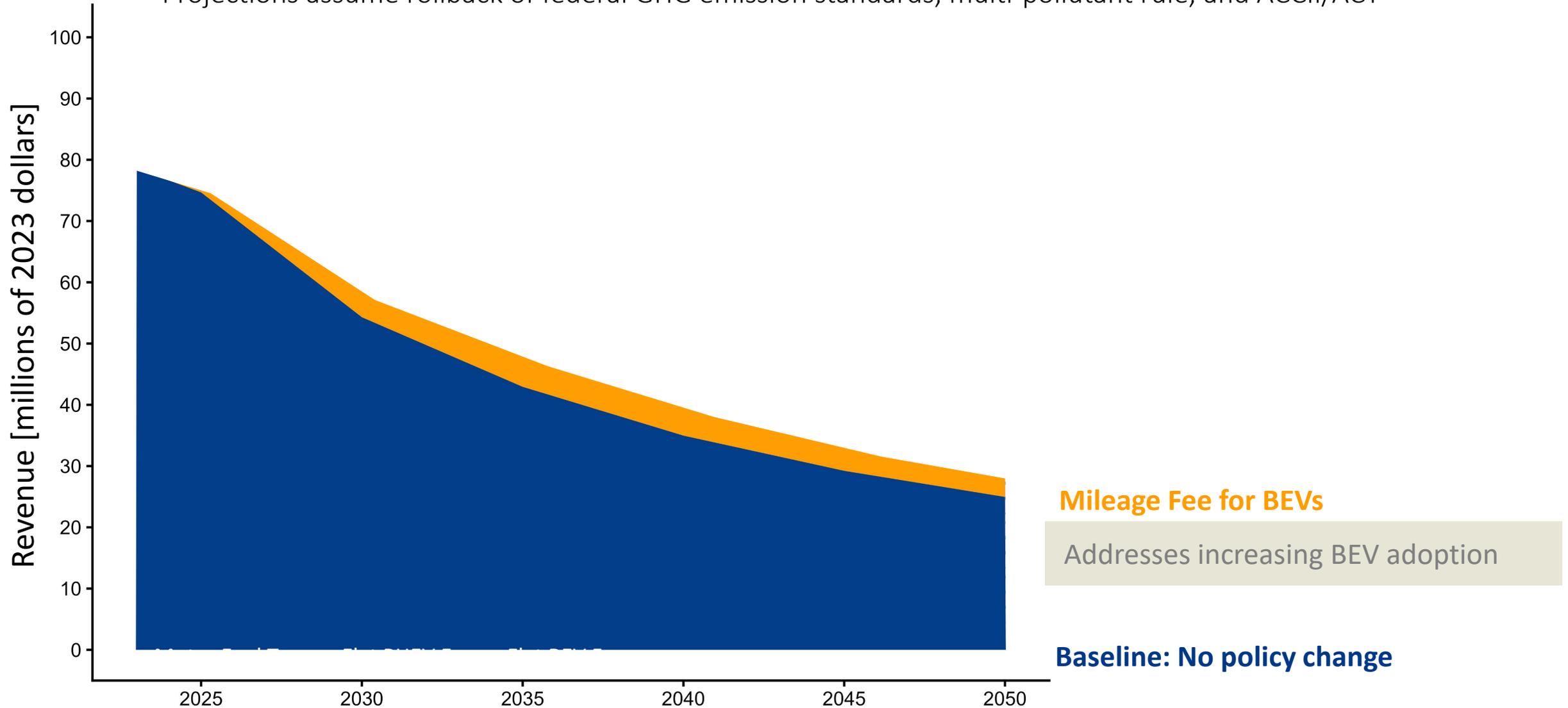
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Presentation to the Vermont Senate Committee on Transportation
March 13, 2026

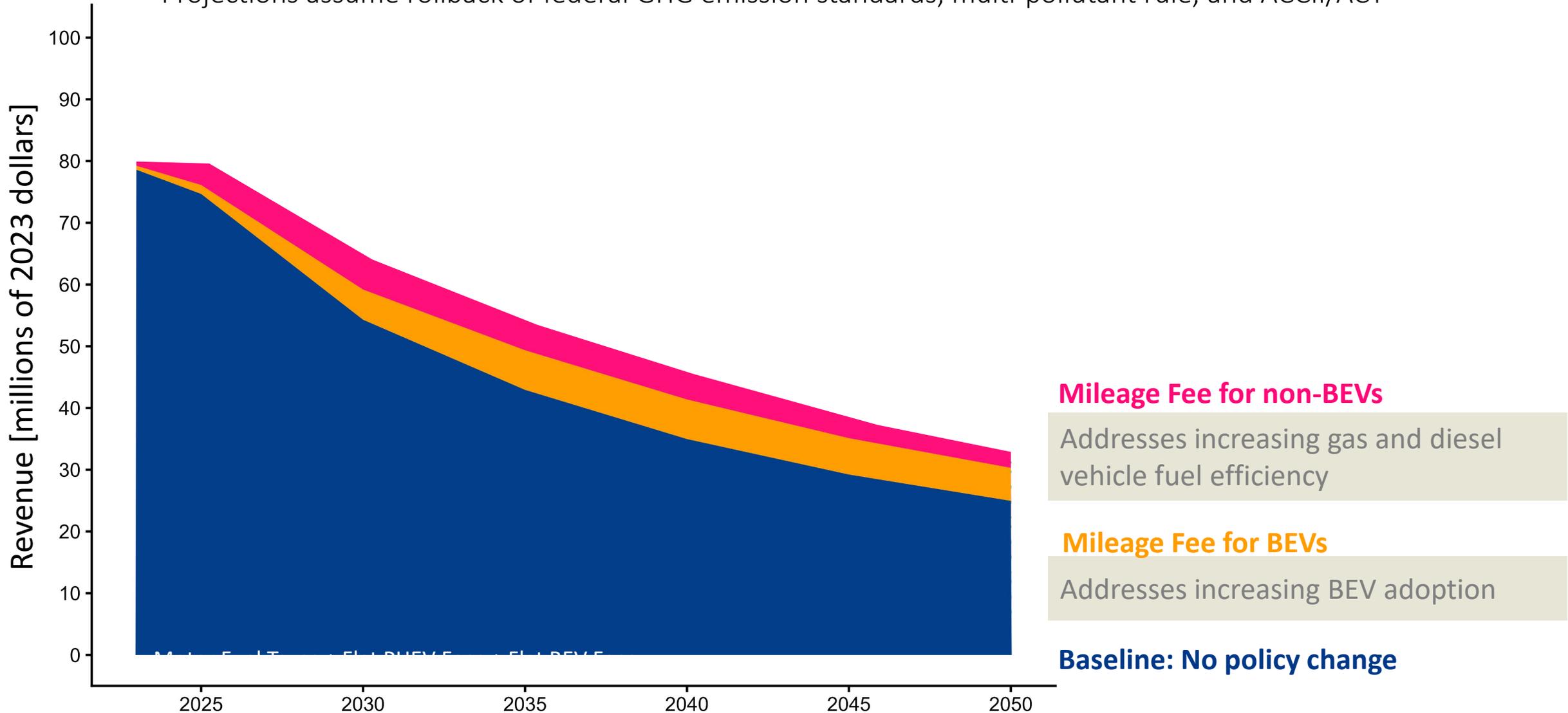
Vermont State Gas Tax and Mileage Fee Revenue Projections

Projections assume rollback of federal GHG emission standards, multi-pollutant rule, and ACCII/ACT



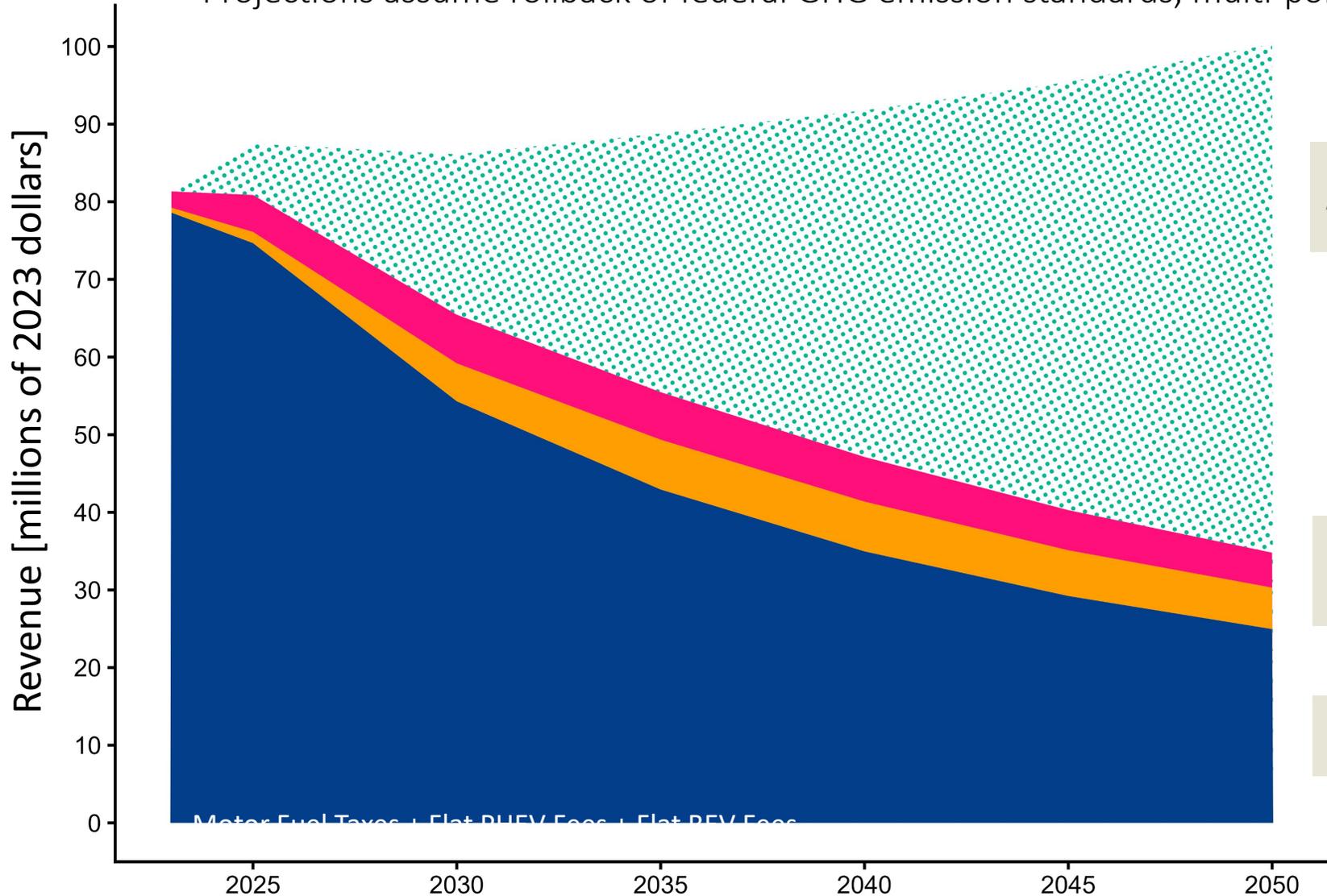
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Mileage Fee Indexed to Inflation
(+4% annually based on NHCCI trends)

Addresses declining purchasing power

Mileage Fee for non-BEVs

Addresses increasing gas and diesel vehicle fuel efficiency

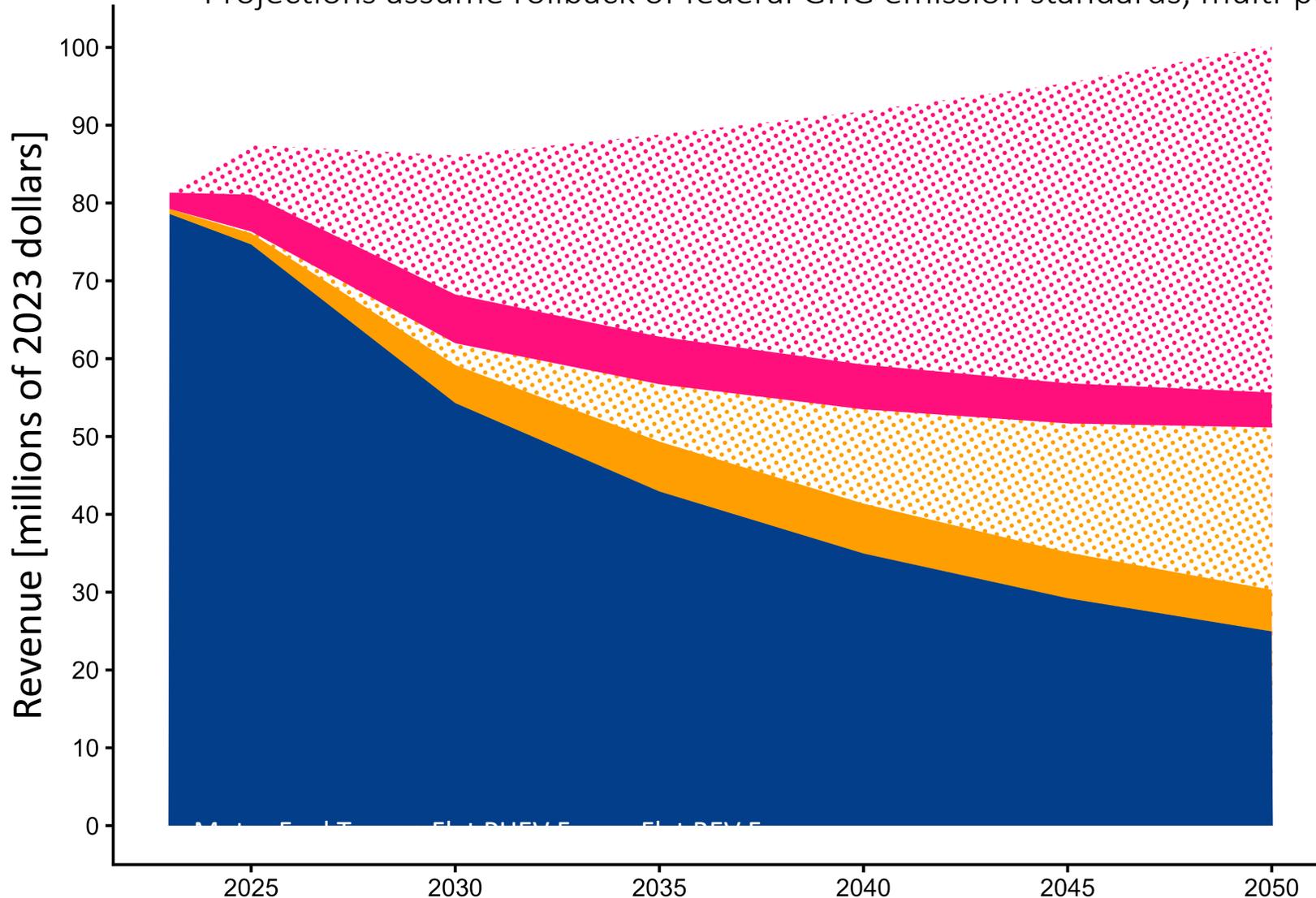
Mileage Fee for BEVs

Addresses increasing BEV adoption

Baseline: No policy change

Vermont State Gas Tax and Mileage Fee Revenue Projections

Projections assume rollback of federal GHG emission standards, multi-pollutant rule, and ACCII/ACT



Generate an additional \$657,000,000 by 2050



Expand mileage fee to include all non-BEVs (also indexed to inflation)

Generate an additional \$310,000,000 by 2050



Index BEV mileage fee to inflation



Replace flat BEV fee with a 1.4 cent per mile fee

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