



Vermont Mileage Fee Rate Setting Recommendations

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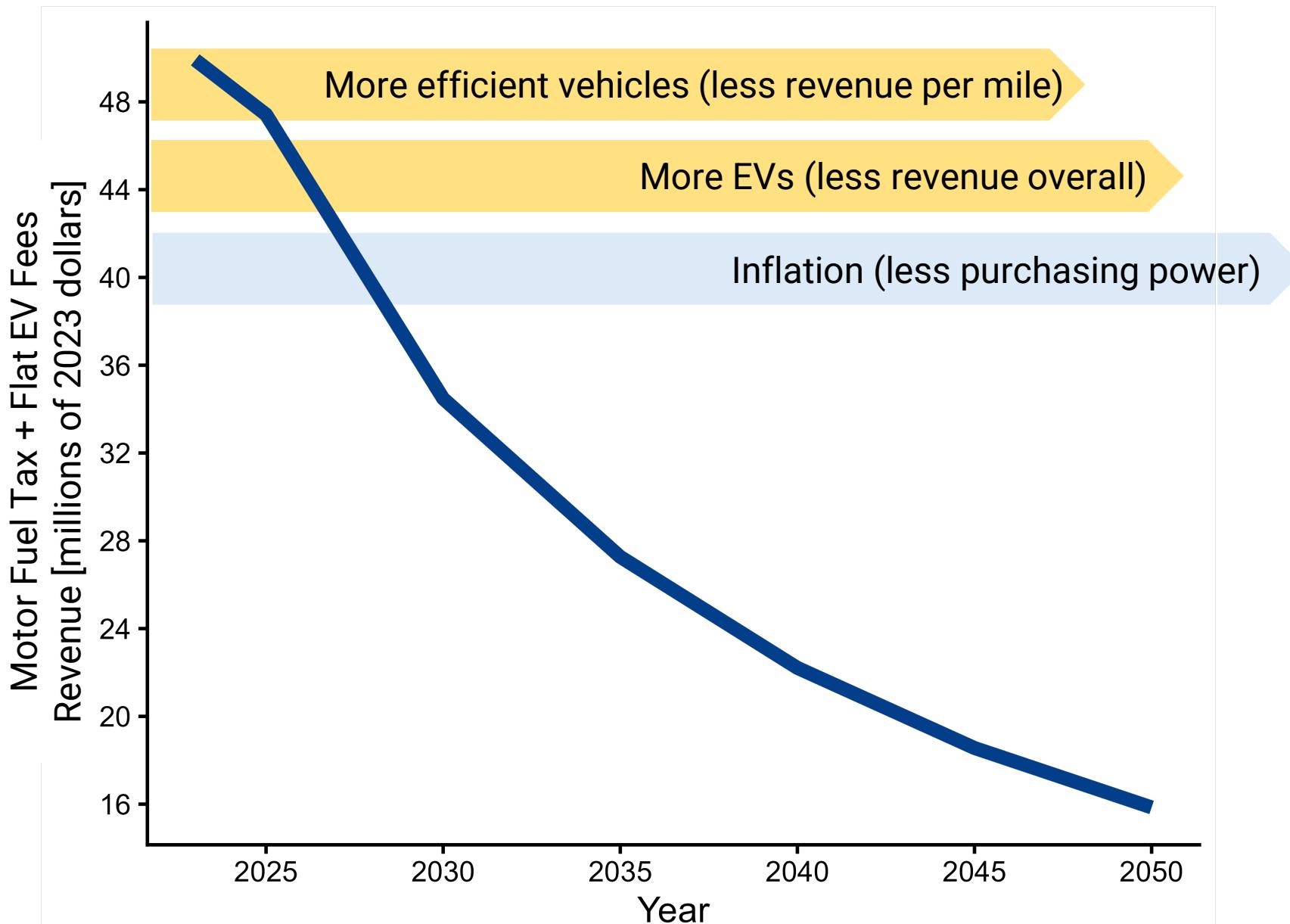
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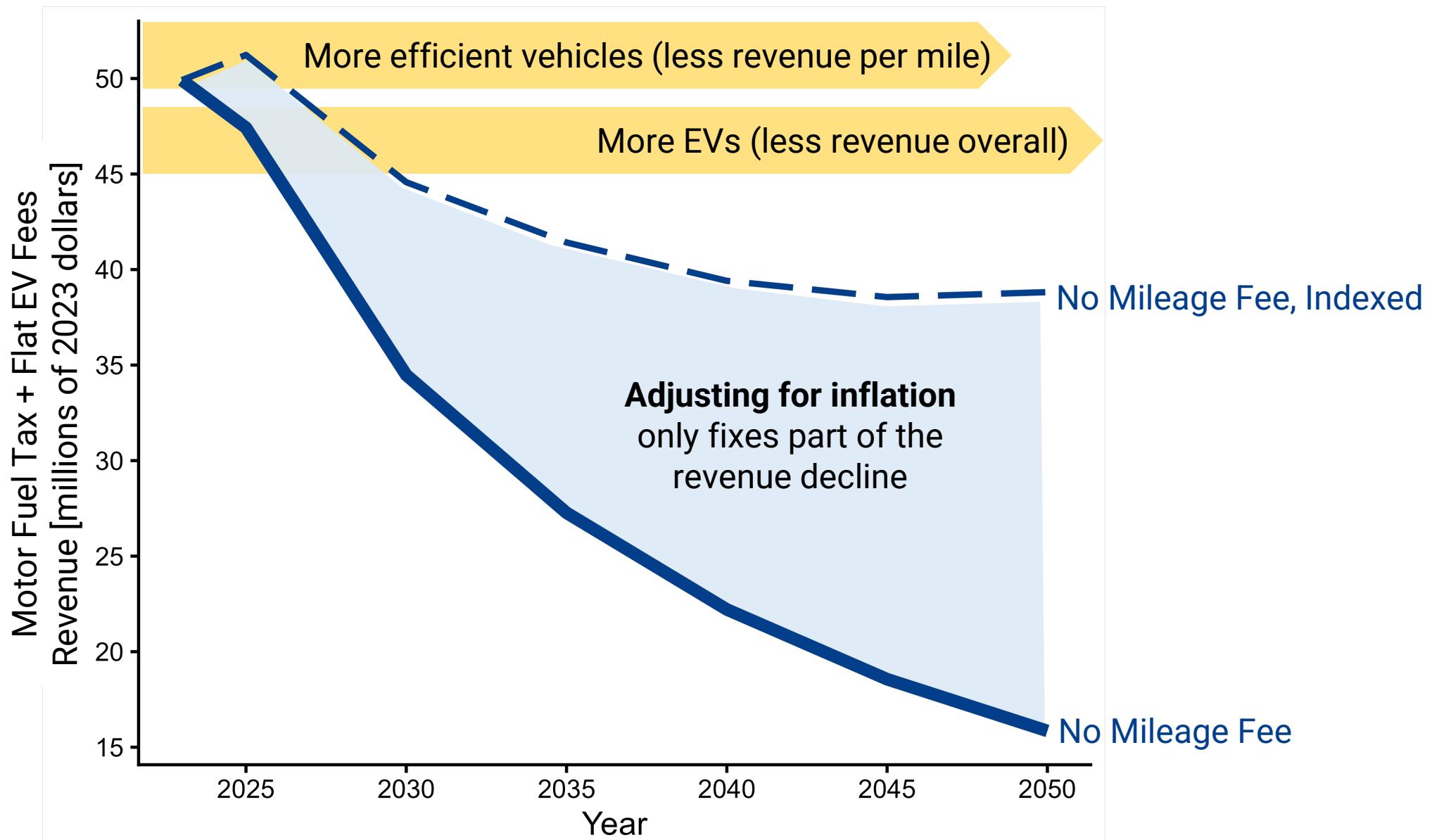
UVM Transportation Research Center (TRC)

Presentation to the Vermont Senate Committee on Transportation

February 12, 2026



Revenue calculation: VT county-specific EPA's MOVES 4.0 vehicle fleet turnover, fuel economy, and mileage projections; scaled to 2023 VT fuel efficiency, mileage, and revenue



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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.

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- (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.

Light duty vehicles, <10,000 lbs

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Summary of report developed for the Vermont Legislature

- Review other states mileage fee rate calculations
- Review prior Vermont recommendations for mileage fee rate calculations (2024 Report to the Legislature)
- Provide updated recommendations for setting Vermont's mileage fee
- Look at the mileage fee impact: Vermonters' household costs and State revenue potential

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We recommend an initial **1.4 ¢ per mile** rate for BEV pleasure cars

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

$$\text{ICEV-Equivalent Mileage Fee} = \frac{5\text{-year Average State Gas Tax}}{2023 \text{ Distance-weighted Average Light-Duty Fuel Economy}}$$

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

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

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

2024 REPORT**RATE = 1.8 ¢ / mile****STATE GAS TAX**

State gas tax from the most recent quarter

FUEL ECONOMY

Data from 2013

Averages two measures of fuel economy

Includes some data from medium- and heavy-duty vehicles in average

Uses a harmonic average

RATE ADJUSTMENTS

Recommend increasing per mile fee to cover administrative costs

No inflation adjustment

OUR REPORT**RATE = 1.4 ¢ / mile****STATE GAS TAX**

5-year average state gas tax

FUEL ECONOMY

Most recent data (2023)

Only use one measure of fuel economy

Only uses data from light-duty vehicles in average

Uses a distance-weighted harmonic average

RATE ADJUSTMENTS

Recommend increasing vehicle registration or inspection fees to cover administrative costs

Recommend indexing to inflation

We recommend an initial **1.4 ¢ per mile** rate for BEV pleasure cars

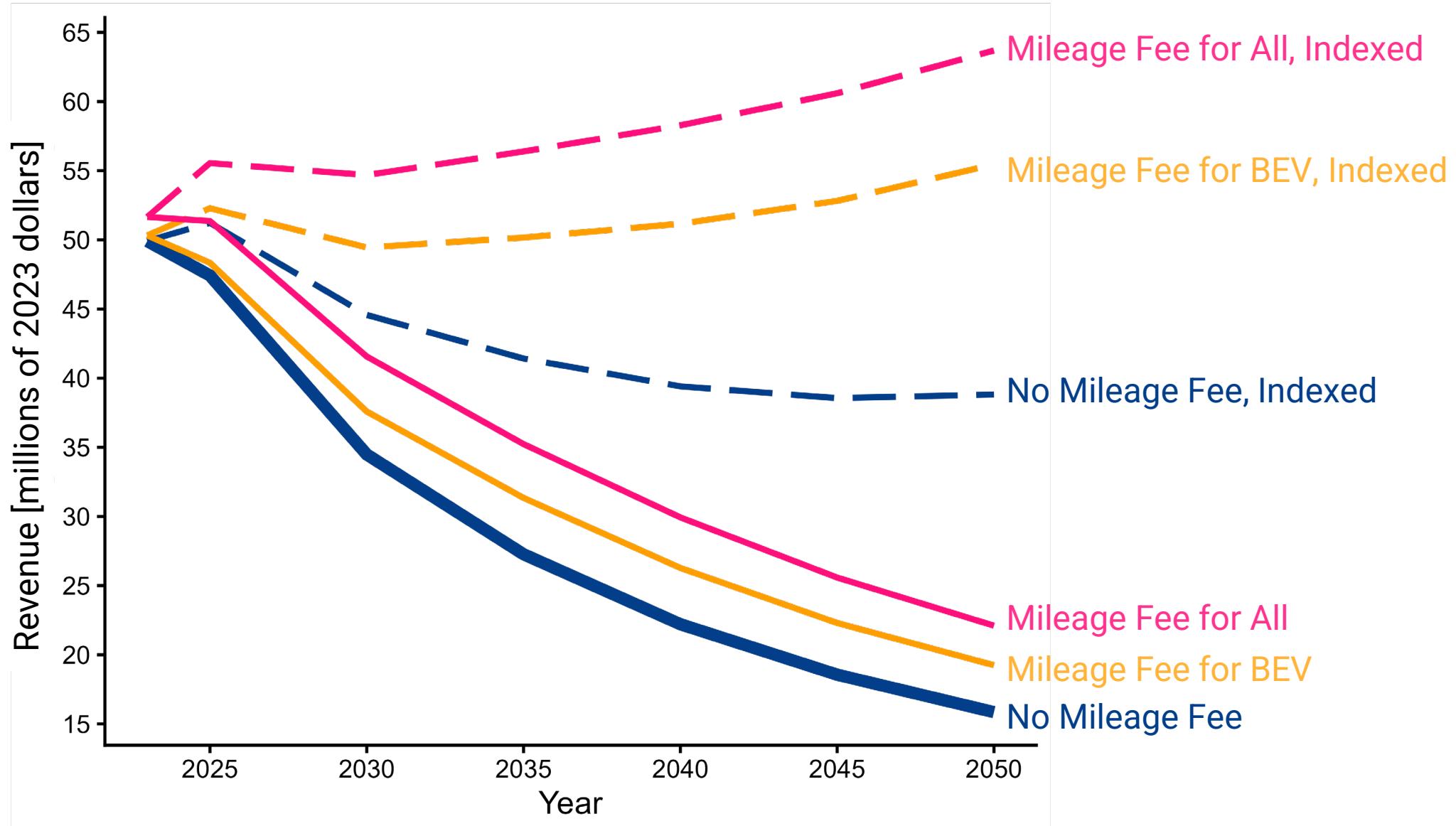
$$\text{ICEV-Equivalent Mileage Fee} = \frac{5\text{-year Average State Gas Tax}}{2023 \text{ Distance-weighted Average Light-Duty Fuel Economy}}$$

WHAT WE DO NOT RECOMMEND

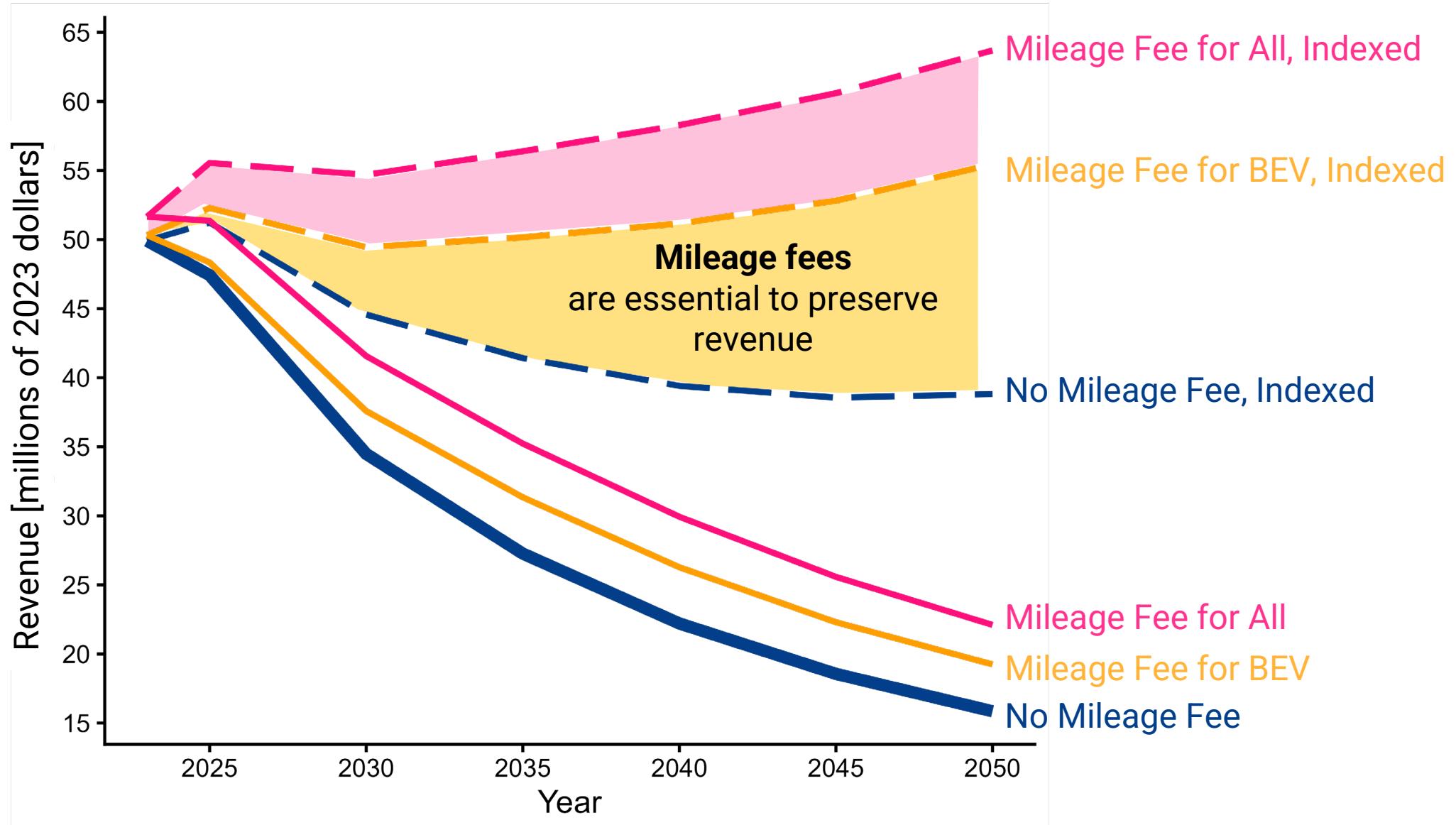
-  Rate adjustments for light-duty vehicles based on weight or fuel economy
-  Per-mile (“variable fees”) to cover mileage fee administrative costs

WHAT WE DO RECOMMEND

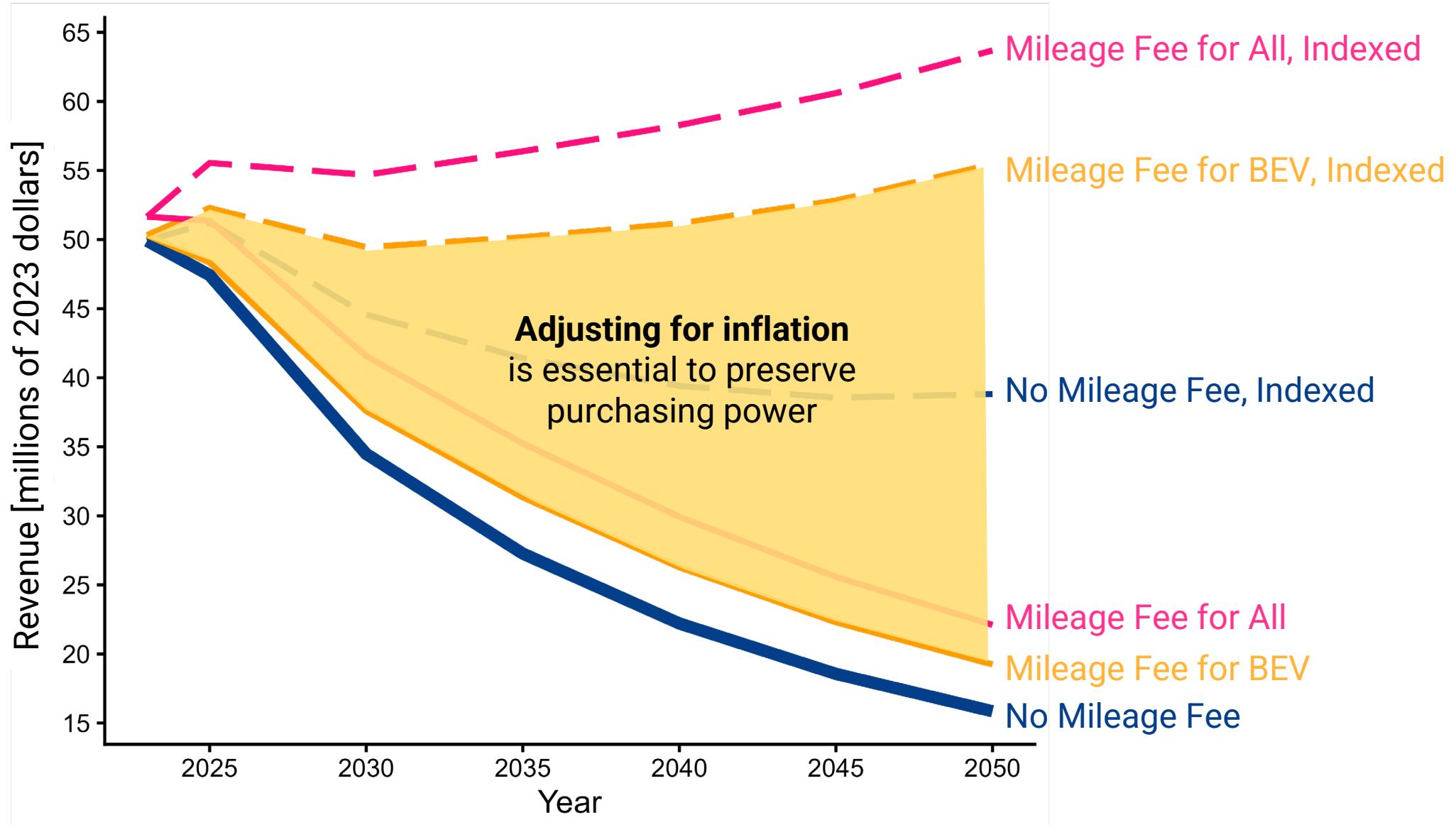
-  Index the mileage fee to inflation
-  Expand mileage fees to all light-duty vehicles at the earliest feasible time
-  Per-vehicle (“flat fees”) to cover mileage fee administrative costs



Revenue calculation: VT county-specific EPA's MOVES 4.0 vehicle fleet turnover, fuel economy, and mileage projections; scaled to 2023 VT fuel efficiency, mileage, and revenue



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Common Vermont Vehicles	Cost per Mile (assuming 10,000 miles)	Fuel Economy [MPGe]	Current Taxes [\$ / year]	Mileage Fee [\$ / year]	Annual Cost Difference [\$ / year]
 Nissan Leaf	0.8 ¢ / mi	109.0	\$89	\$154	+\$65
 Toyota Prius	0.7 ¢ / mi	49.1	\$72	\$154	+\$82
 Toyota Prius Prime	0.8 ¢ / mi	78.0	\$90	\$154	+\$64
 Chevrolet Silverado	1.8 ¢ / mi	17.5	\$201	\$154	-\$47
 Toyota Tacoma	1.6 ¢ / mi	19.8	\$178	\$154	-\$24
 Subaru Outback	1.3 ¢ / mi	24.3	\$145	\$154	+\$9

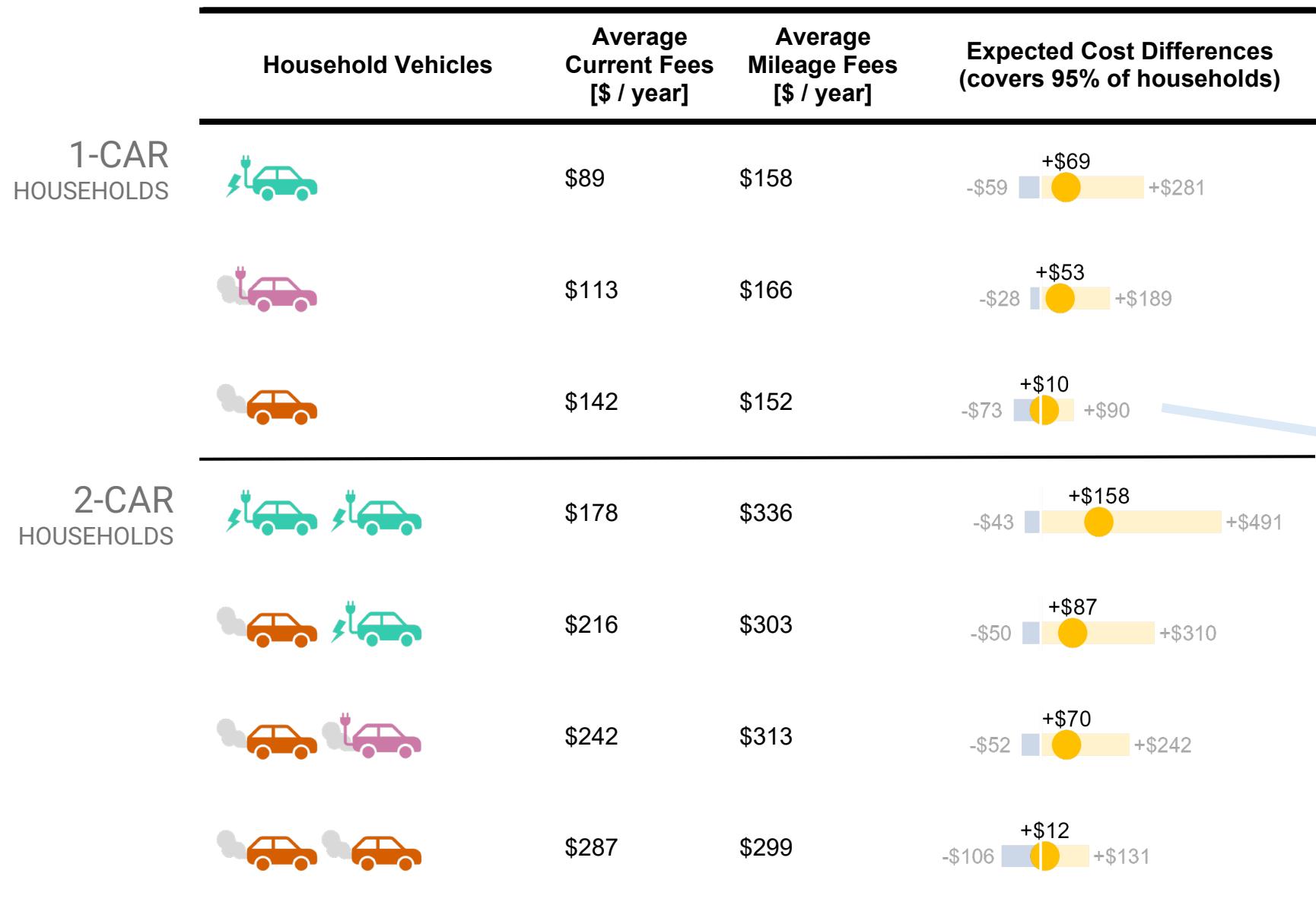
More fuel-efficient vehicles, including EVs, will see **higher costs** on average

Less fuel-efficient vehicles will see **lower costs** on average

Average vehicles will see **very small cost increases** on average

Due to rounding the mileage fee from 1.36 ¢ / mi to 1.4 ¢ / mi

Annual cost calculations: 2023 Vermont vehicle inspection data to calculate annual vehicle mileage, and 2023 Vermont vehicle registration records to match vehicles with EPA combined city-and-highway fuel economy



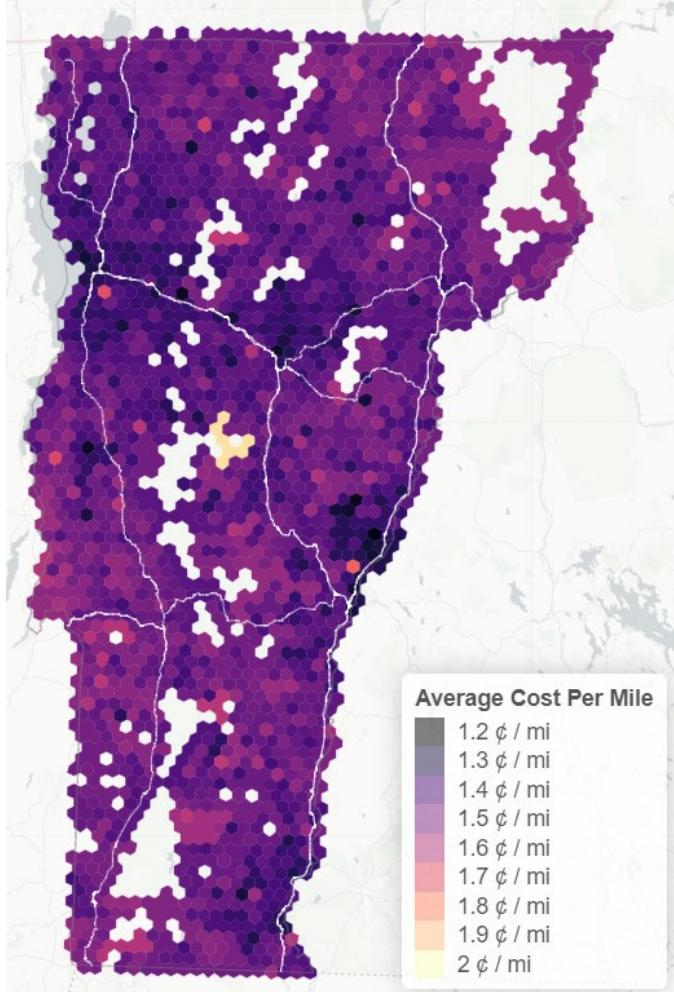
Households with EVs or PHEVs will see **cost increases** on average

Households with 1 gas or diesel vehicle will see **very small cost increases** on average

Due to rounding the mileage fee from 1.36 ¢ / mi to 1.4 ¢ / mi

Annual cost differences scale with the number of vehicles in the household

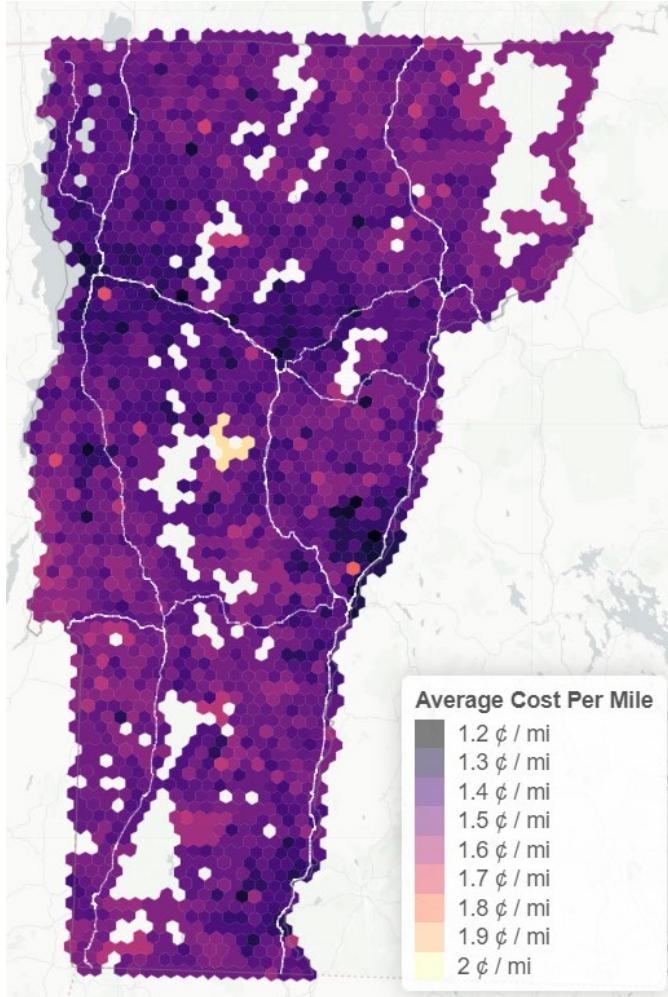
Current Fees (¢ / mi)



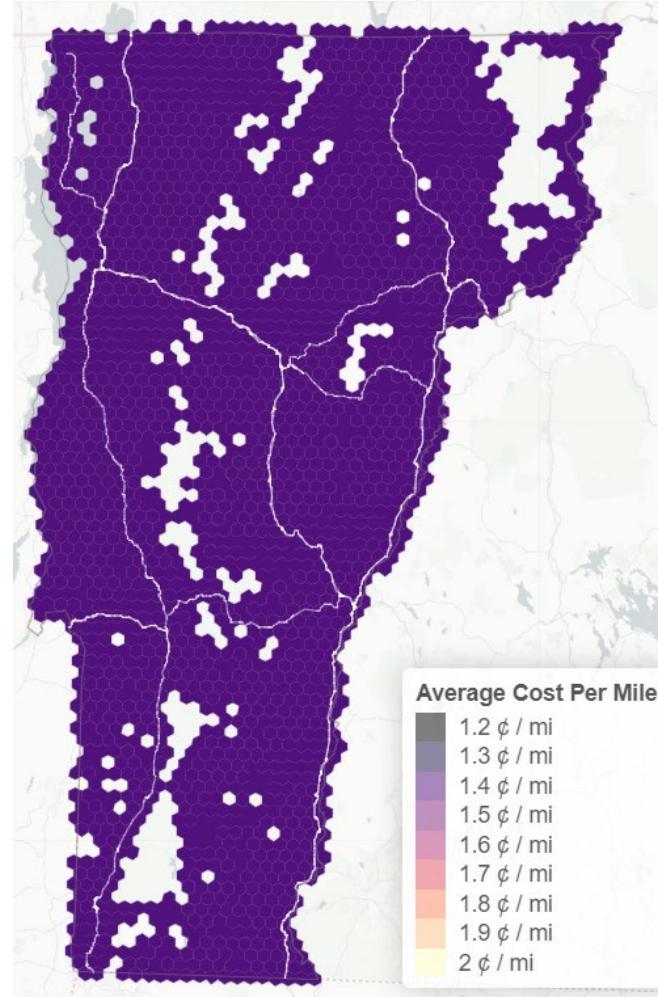
On average, **rural drivers pay more** per mile due to owning less efficient cars

Cost maps: Each hexagon group (see outlines in grey on the map) contains at least 50 vehicles. Average cost per mile calculated as each vehicle's current fee payments (motor fuel taxes and flat EV fees) divided by the vehicle's annual mileage.

Current Fees (¢ / mi)



Mileage Fee for All (¢ / mi)

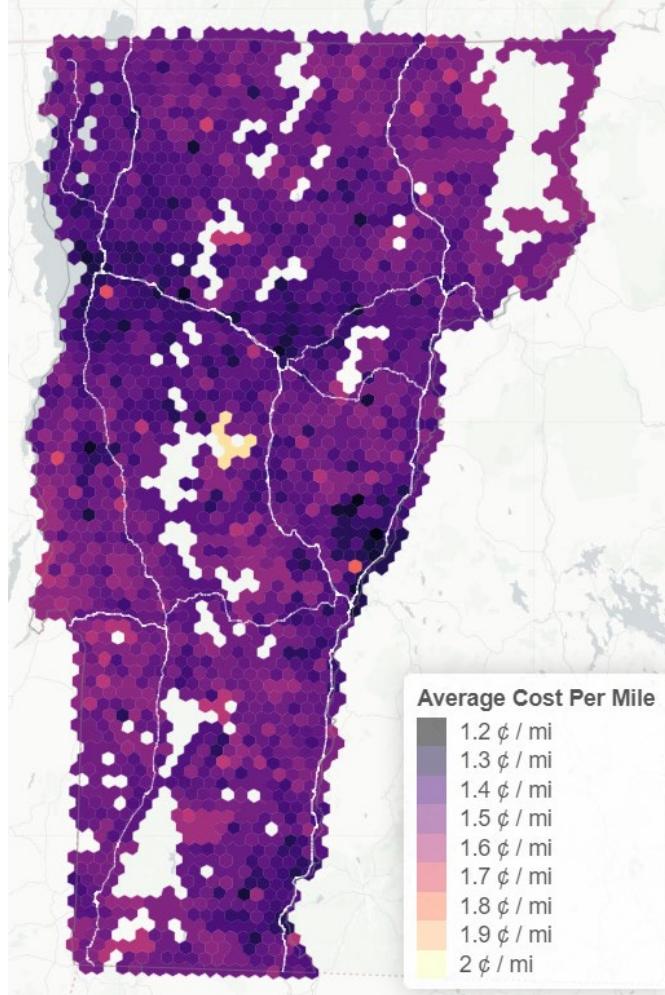


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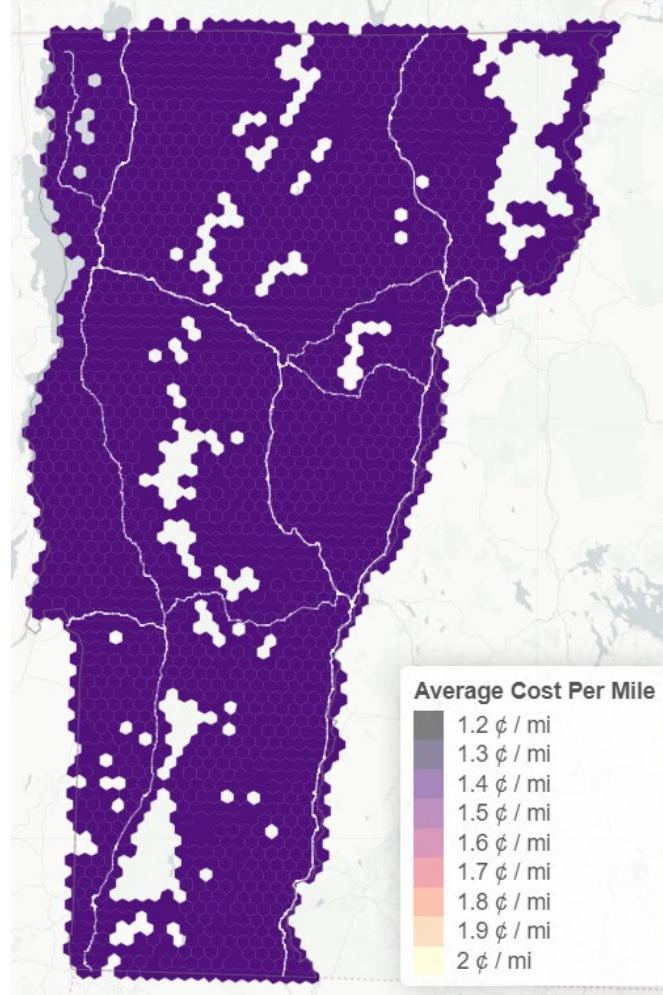
Everyone pays the same per mile with a statewide mileage program

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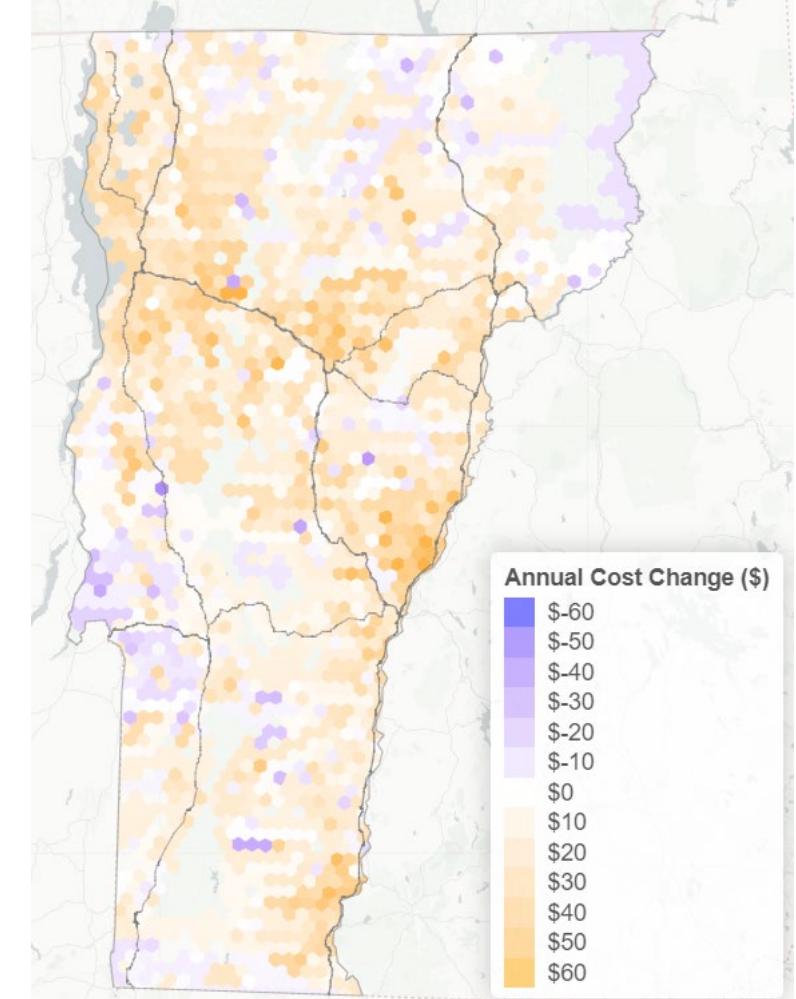
Current Fees (¢ / mi)



Mileage Fee for All (¢ / mi)



Annual Cost Difference (\$ / year)



On average, **rural drivers pay more** per mile due to owning less efficient cars

Everyone pays the same per mile with a statewide mileage program

Many rural drivers will see cost decreases with a per mile fee

Cost maps: Each hexagon group (see outlines in grey on the map) contains at least 50 vehicles. Average cost per mile calculated as each vehicle's current fee payments (motor fuel taxes and flat EV fees) divided by the vehicle's annual mileage.

Recommendations for transitioning from a BEV fee to a statewide mileage fee

- **Mileage fees for BEVs are not enough** • Without additional policy action, the gap between average BEV mileage fees and ICEV gas taxes will widen as ICEVs become more fuel efficient.
- **Maintaining out-of-state revenue** • To charge out-of-state drivers, Vermont could keep the gas tax. The State can then reimburse Vermont drivers for their fuel tax payments.

Resident Adjustment = (Annual mileage fee cost) - (Annual fuel tax payments)

Resident Adjustment > \$0
State collects payment from vehicle owner

Resident Adjustment < \$0
State issues payment to vehicle owner