



State of Vermont

Agency of Transportation

Memo

To: Senate Committee on Transportation
Date: January 7, 2026
From: Patrick Ó. Murphy, State Policy Director
Re: Follow-up to MBUF Testimony on 1/07/2026

The purpose of this memo is to provide additional information requested by committee members regarding the MBUF proposal for electric vehicles.

Below is a chart that reflects revenue projections presented earlier in testimony, with the last column representing the net revenue from implementing a mileage-based user fee for electric vehicles (given that the legislature has already implemented an EV infrastructure fee for all plug-in electric vehicles). The projections are based on current EV adoption trends in Vermont which has shifted somewhat since the new federal administration took office.

	MBUF for BEVs	EV Infrastructure Fee w/o MBUF Implementation	Net Increased Revenue Projected
SFY2027	\$ 1,632,718	\$ 679,028	\$ 953,691
SFY2028	\$ 3,776,853	\$ 1,570,747	\$ 2,206,106
SFY2029	\$ 4,288,270	\$ 1,783,439	\$ 2,504,831
Totals	\$ 9,697,841	\$ 4,033,214	\$ 5,664,627

Assumptions:

1.78 cents/mile MBUF rate
12,000 average annual miles traveled
MBUF Implementation January 2027

The rate-setting assumption was detailed in the 2024 Legislative Report and subsequently discussed in committee several times. However, the assumed rate is not currently defined in statute and remains the prerogative of the legislature to determine.

It should be noted also that Hawai'i has the second to lowest gas tax rate in the nation at \$0.18/gallon, while Vermont's effective rate of roughly \$0.32/gallon places the state in the middle of the pack. This fuel tax rate, coupled with the lower annual VMT per vehicle, accounts for Hawai'i's lower road usage charge presented in today's testimony.