

May 4, 2026

The Honorable Sam Graves

Chairman, House Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Rick Larsen

Ranking Member, House Committee on Transportation and Infrastructure
2163 Rayburn House Office Building
Washington, D.C. 20515

Re: Taxing Families for Driving Fuel Efficient Vehicles is Bad Policy, Especially as More Americans Seek Relief from Sky High Gas Prices

Dear Chairman Graves and Ranking Member Larsen:

The undersigned organizations write to respectfully urge the Committee to reconsider the inclusion of new annual federal registration taxes and fees on hybrid and electric vehicles in the forthcoming surface transportation reauthorization bill. We understand and share the Committee's concern about the long-term fiscal health of the Highway Trust Fund (HTF), and we recognize the genuine need to address its structural revenue gap. Sound transportation and cost-of-living policy demands that Congress meet families where they are, not add to their burden by penalizing consumer choice and economic freedom, especially as the economic conditions American families are navigating today include high gas prices, rising inflation, and prolonged uncertainty about the economy.

American consumers are under severe financial stress at the pump right now. The national average price for a gallon of regular gasoline has climbed to approximately \$4.40 — up from \$2.90 just over two months ago, according to EIA. Economists at Oxford Economics estimate that if gas prices average \$3.70 per gallon for the full year, the additional burden on consumers will total roughly \$70 billion¹. This cost would exceed the entire value of the 2026 tax refund season. These are families who have already seen their savings rates fall and their credit card balances rise over the past several years.

Faced with punishing costs at the pump, American consumers are responding exactly as one might expect: they are actively seeking more fuel-efficient vehicles. According to Edmunds, interest in electrified vehicles (including hybrids, plug-in hybrids, and battery electric vehicles) reached 23.8% of all vehicle research activity on its platform for the week of March 9–15, 2026, the highest weekly level recorded this year and up sharply from 20.7% the previous month. This is not a speculative trend; it reflects families making deliberate financial decisions to reduce their exposure to volatile gasoline prices. Experts at the University of California, Davis note that residential electricity prices are far more stable than gasoline prices, meaning EV and hybrid owners are “largely unaffected by oil price shocks” — precisely the kind of relief that consumers are seeking right now.

It is in this context that the Committee is expected to consider reviving a proposal for an annual fee on electric vehicles and hybrid vehicles as part of surface transportation reauthorization. We respectfully

¹ Christopher Rugaber, Associated Press. *"Trump touted bigger tax refunds, but higher gas prices are likely to eat them up."* March 22, 2026. <https://apnews.com/article/trump-tax-refunds-gas-prices-859494e746561a3343dcd57836c3dc83>

submit that the timing for imposing new costs on the very vehicles that consumers are turning to for relief could not be worse as it would directly penalize the financial strategy that millions of Americans are pursuing to cope with the gas price crisis. Furthermore, estimates show that a proposed fee of \$150 would raise less than \$1 billion annually² — which would do very little to close the HTF's \$28 billion user pays deficit in 2024, which is projected to grow to a \$50 billion annual deficit by 2035.^{3,4} According to the Alliance for Automotive Innovation's Q1 2025 Get Connected Report, there are approximately 5.8 million battery-electric vehicles on U.S. roads. This proposed EV tax would mean that a mere 2.1 percent of the 297.5 million total registered motor vehicles on the road would be scapegoated for the HTF revenue shortfall.

We also take this opportunity to urge the Committee to preserve, and where possible strengthen, funding levels for programs that invest in alternative transportation modes in the reauthorization bill. Public transit, bicycle and pedestrian infrastructure, and intercity passenger rail are critical tools that give American families more options to reduce their transportation costs.

We respect the Committee's commitment to putting the Highway Trust Fund on sound financial footing, and we look forward to working constructively with you on durable, equitable solutions that finally address the structural shortfall in the HTF and do not merely target one subset of users. What we ask today is simply that the Committee weigh the changed circumstances facing American families as a result of sky high oil and gas prices and avoid imposing a new tax on cars that would make their situation worse. Families who are struggling under the weight of rising costs are making exactly the kinds of fuel-saving choices that a well-functioning market should encourage. Imposing new penalties on those choices at this perilous moment would work against the interests of the very Americans Congress is elected to help.

Thank you for your consideration of our views.

Respectfully submitted,

Earthjustice Action
Environmental Defense Fund
Evergreen Action
League of Conservation Voters
Natural Resources Defense Council
Sierra Club
Union of Concerned Scientists

CC: Members of the House Transportation & Infrastructure Committee

² Union of Concerned Scientists, *Memo: Estimate of the Revenue from a Federal Registration Fee on Electric Vehicles* (Washington, DC: Union of Concerned Scientists, 2026)

³ Congressional Budget Office, *Testimony on the Status of the Highway Trust Fund: 2023* (Washington, DC: Congressional Budget Office, 2023), 9.

⁴ Jeff Davis, Senior Fellow, Eno Center for Transportation, *Testimony before the House Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit, "America Builds: The Need for a Long-Term Solution for the Highway Trust Fund"* (Apr. 29, 2025), available at: https://transportation.house.gov/uploadedfiles/04-29-2025_ht_hearing_-_jeff_davis_-_testimony.pdf.