FISCAL NOTE

The overall impact of this bill is indeterminable.

This bill creates an annual $100 decal fee for plug-in hybrid electric vehicles (PHEVs), creates a $0.035/kilowatt-hour (kWh) license tax on electric energy sold or dispensed for sale or use in Wyoming for propelling a motor vehicle, exempts alternative fuels including electricity sold at DC fast charging stations from sales tax, and creates a mechanism to refund license taxes paid up to the value of a PHEV’s or electric vehicle’s (EV) own decal fee.

Decal fee:

The fiscal impact of the annual $100 fee for PHEVs, as defined by this bill, is indeterminable due to an unknown total number of PHEVs in the State.

The Wyoming Department of Transportation (WYDOT) indicated that 4,766 hybrid vehicles are registered in Wyoming. The U.S. Department of Transportation estimated that 16.7 percent of new hybrid vehicles sold in 2024 were PHEVs. Using these figures to estimate impact, the fee could potentially generate $79,600, but the figure is indeterminable due to an unknown number of PHEVs in the State. Revenue would be distributed to the Highway Fund in accordance with W.S. 31-3-103(c).

License tax:

The fiscal impact from the updated $0.035/kWh license fee is indeterminable due to unknown factors in Wyoming such as number of PHEVs, annual PHEV and EV mileage, and fuel efficiency. According to WYDOT, the current rate of State license taxes for PHEV and EV electricity is less than $0.01 per kWh. Revenue generated from license taxes are distributed to the Highway Fund and local sources in accordance with W.S. 39-17-311(a)(iv).

License tax refund:

This bill creates an annual refund for license taxes paid to charge Wyoming registered PHEVs and EVs up to $100 and $200, respectively. The figure is indeterminable due to the unknown fiscal impact of this bill’s proposed rate, unknown current license tax revenue, and unknown number of users who would submit a refund.

If every eligible PHEV and EV owner applies for a refund, the net refund will match the revenue generated by the $0.035/kWh license tax up to the $100 or $200 maximum. According to national statistics, the average vehicle does not drive an annual distance high enough and at a kWh/mile low enough to reach the tax refund maximum of $100 and $200. According to mileage and efficiency data for PHEVs and EVs, the estimated license tax generation under this bill for each PHEV and EV would be $18 and $152, respectively. The FHA reported that the most common type of EVs sold in 2019, midsized sedans, have a wide-ranging efficiency in 2024; 0.46 to 0.24 kWh per mile. Research by the Argonne National Laboratory Energy

Systems Division states that PHEVs consumed on average 32 kWh per 100 miles, or 0.32 kWh/mile, in 2019. The Federal Highway Administration (FHA) stated that the average annual mileage of EVs and PHEVs were 12,393 and 16,289 miles, respectively.

Alternative fuel sales tax exemption:

The fiscal impact of exempting sales tax on electricity sold at DC fast charging stations is estimated by the Department of Revenue (DOR) at $72,000 per year. DOR's sales tax figures reflect data from individual electric vehicle charging stations licensed with the DOR in addition to a small degree of assumption due to lack of itemized data from other licensed vendors such as travel plazas and convenience stores, which sell other goods. According to DOR, the sales tax exemption for other fuels categorized as alternative fuels will likely result in a small additional impact on tax revenue, but there is not enough information available to form an estimate.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.
The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Transportation

Prepared by: Enee Crosslin, LSO Phone: 777-7881
(Information provided by Rodney Freier, Jr., Department of Transportation, 777-4174; Sharon Rehm, Department of Revenue, 777-5220)