

1 H.123

2 Introduced by Representative Beck of St. Johnsbury

3 Referred to Committee on

4 Date:

5 Subject: Motor vehicles; vehicle miles traveled tax; plug-in electric vehicles;

6 Transportation Fund

7 Statement of purpose of bill as introduced: This bill proposes to create a
8 vehicle miles traveled tax applicable to plug-in electric vehicles.

9 An act relating to a vehicle miles traveled tax for plug-in electric vehicles

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 19 V.S.A. § 11 is amended to read:

12 § 11. TRANSPORTATION FUND

13 The Transportation Fund shall comprise the following:

14 * * *

15 (2) the revenue derived from the taxes on motor fuel and vehicle miles
16 traveled as provided for by Title 23;

17 * * *

18 Sec. 2. 23 V.S.A. chapter 26 is added to read:

19 CHAPTER 26. VEHICLE MILES TRAVELED TAX

20 § 2901. DEFINITIONS

1 As used in this chapter:

2 (1) “Battery electric vehicle” has the same meaning as in subdivision
3 4(85) of this title.

4 (2) “Commissioner” has the same meaning as in subdivision 4(4) of this
5 title.

6 (3) “Official odometer reading” means an odometer reading conducted
7 with the annual inspection required pursuant to section 1222 of this title.

8 (4) “Owner” means the first listed person on a registration required
9 pursuant to section 301 of this title.

10 (5) “Plug-in electric vehicle” has the same meaning as in subdivision
11 4(85) of this title.

12 (6) “Plug-in hybrid electric vehicle” has the same meaning as in
13 subdivision 4(85) of this title.

14 (7) “Taxable miles traveled” means the most recent official odometer
15 reading for the subject motor vehicle less the first official odometer reading for
16 the subject vehicle since the later of January 1, 2023 or the last time the vehicle
17 miles traveled tax was assessed on the vehicle. The taxable miles traveled may
18 be reduced by the Commissioner if the owner presents evidence that the
19 subject vehicle was driven outside the State.

1 § 2902. VEHICLE MILES TRAVELED TAX

2 (a) A tax is imposed in this State on the taxable miles traveled by a plug-in
3 electric vehicle as defined in section 2901 of this chapter. Every owner of a
4 plug-in electric vehicle shall remit the tax due under this section at the time of
5 filing their State income tax return pursuant to 32 V.S.A. chapter 151 or, if
6 State income tax is not assessed, through a separate filing.

7 (b) The Commissioner, in consultation with the Commissioner of Taxes,
8 shall establish a per-mile rate for battery electric vehicles and a different per-
9 mile rate for plug-in hybrid electric vehicles.

10 (c) The total tax assessment shall be the per-mile rate established pursuant
11 to subsection (b) of this section multiplied by the taxable miles traveled.

12 § 2903. COLLECTION AND ADMINISTRATION

13 (a) Rulemaking. The Commissioner shall administer and enforce this
14 chapter to ensure the collection of the vehicle miles traveled tax as applicable
15 and shall adopt rules, in consultation with the Commissioner of Taxes,
16 pursuant to 3 V.S.A. chapter 25 to carry out such administration and
17 enforcement.

18 (b) Collection. The Commissioner of Taxes shall collect the vehicle miles
19 traveled tax imposed under this chapter.

20 (c) Reporting. The Commissioner of Taxes shall provide that every owner
21 of a plug-in electric vehicle report the amount of their vehicle miles traveled

1 tax liability on his or her State income tax return or, if State income tax is not
2 assessed, through a separate form.

3 (d) Administrative provisions. All administrative provisions of 32 V.S.A.
4 chapter 151, including those relating to penalties, interest, collection, and
5 enforcement, shall apply to this chapter.

6 § 2904. TRANSPORTATION FUND REVENUE

7 All taxes collected by the Commissioner of Taxes under this chapter shall
8 be paid to the State Treasurer and credited to the Transportation Fund on a
9 quarterly basis.

10 Sec. 3. RULEMAKING

11 (a) As soon as practicable after the effective date of this section and not
12 later than January 1, 2022, the Commissioner of Motor Vehicles, in
13 consultation with the Commissioner of Taxes, shall file with the Secretary of
14 State proposed rules to implement Secs. 1 and 2 of this act.

15 (b) The rules described in subsection (a) of this section shall:

16 (1) establish a process, utilizing the annual vehicle inspection conducted
17 pursuant to 23 V.S.A. § 1222, for determining the taxable miles traveled and a
18 way for this mileage to be reported to the taxpayer and the Commissioner of
19 Taxes;

20 (2) establish a process for the Commissioner of Motor Vehicles to
21 determine, in consultation with the Commissioner of Taxes, annual vehicle

1 miles traveled tax rates for battery electric vehicles and plug-in hybrid electric
2 vehicles that shall supplant Transportation Fund revenue that would have been
3 collected if the vehicles in question were not plug-in electric vehicles;

4 (3) create one or more forms to be used to account for and collect the
5 vehicle miles traveled tax if the owner of a plug-in electric vehicle is not
6 subject to State income tax under 32 V.S.A. chapter 151; and

7 (4) be adopted so as to take effect not later than January 1, 2023, with no
8 vehicle miles traveled tax revenue collected until the State income tax returns
9 for calendar year 2023 are due.

10 Sec. 4. EFFECTIVE DATES

11 (a) Secs. 1 (Transportation Fund) and 2 (vehicle miles traveled tax) shall
12 take effect on January 1, 2023.

13 (b) All other sections shall take effect on passage.