



NORTH CAROLINA

Department of Transportation

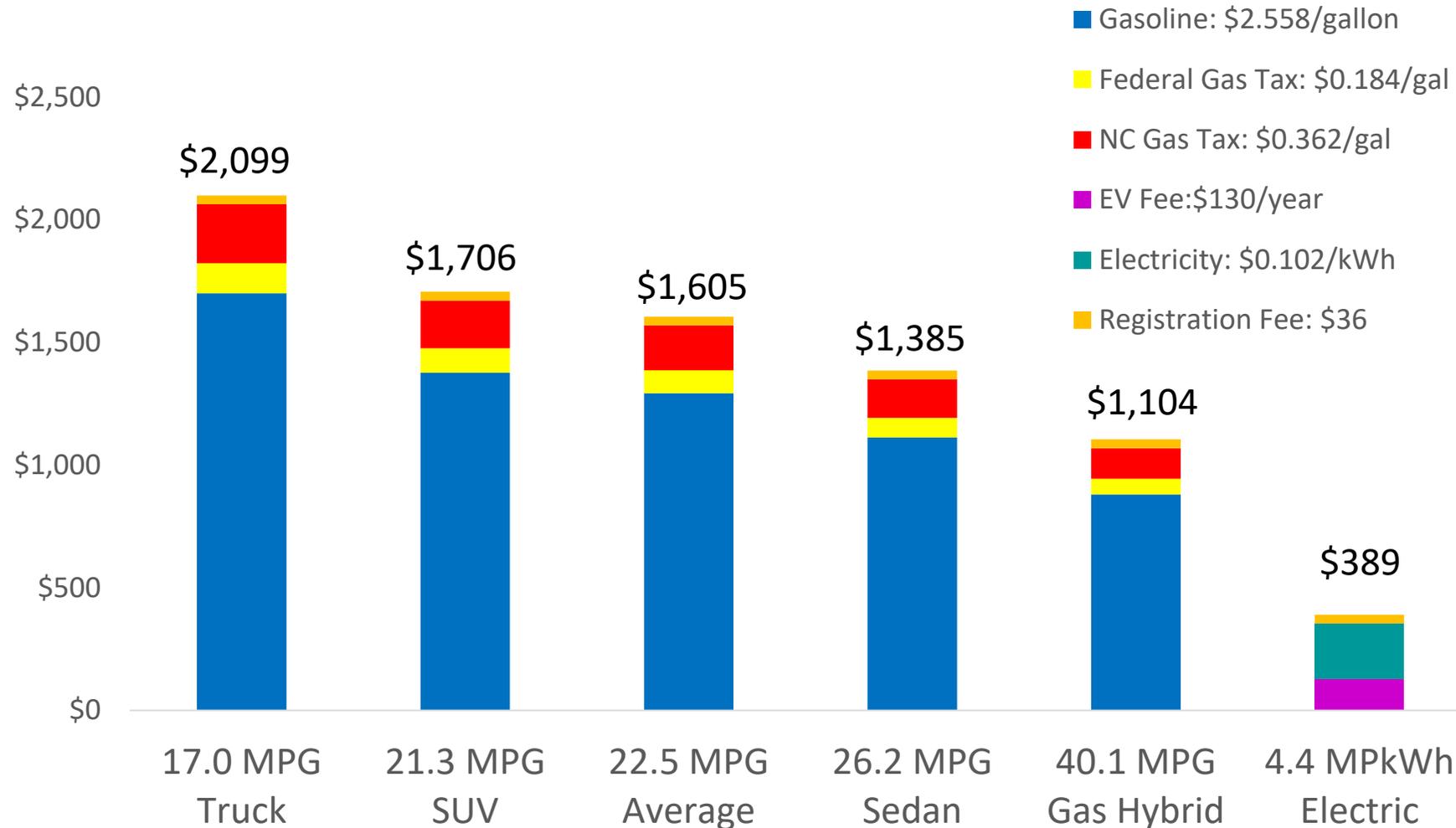


Energy-Based Taxes

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Total Annual Cost for Typical North Carolina Drivers



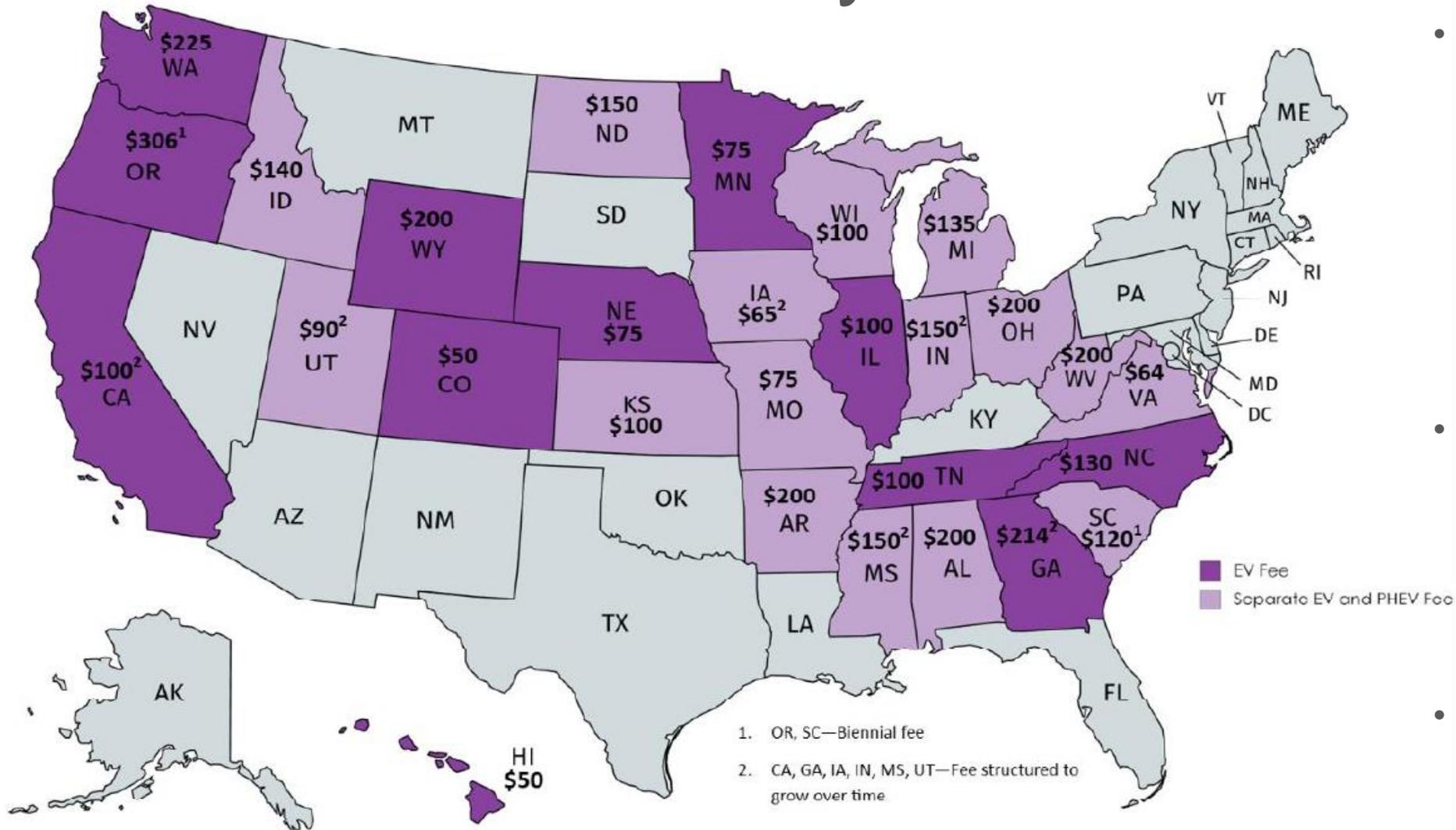
Facts about Electricity Use in NC

- NC has 3 investor-owned electric companies, 1 university-owned utility, 32 cooperatives, 76 municipally-owned electric utilities, and 50 resellers
- Overseen by Utilities Commission
- 7% taxes on the gross receipts from sales of electricity
- NC has comparatively low average rate
 - June 2018 NC cost: 11.24¢/kWh
 - National average: 13.1¢/kWh
 - 10th lowest in nation

Electricity Tax Revenue Options

- Flat per household tax
 - \$3 monthly tax would generate \$113 million annually
- By kilowatt/hour
 - 1¢/kWh would generate \$1.28 billion annually
- Additional surcharge on existing sales and use tax rate
 - An additional 0.25% would generate \$26 million annually
- Redistribute existing electricity tax revenue
 - NC received \$725 million in tax revenue in FY2018

Electric/Hybrid Vehicles



- Who pays the highest combined tax?

- Gas: \$183
- Hybrid: \$125
- Electric: \$130

- \$50 hybrid registration fee = \$7.7 million annually

- Utah Model

Charging Tax

- 2,000 private and public charging *outlets*
- Charging Tax: Electricity used in home and commercial charging stations
 - Based on national average vehicle efficiency rating of 23.1 mpg, the equivalent federal charging tax = 2.6 cents per kWh
- Potential NC Revenue
 - 2,700 kWh: Average kWh used driving ZEV 10,000 miles/year
 - Meeting the EO 80 directive of 80,000 ZEV by 2025, a \$0.03/kWh tax would generate \$6.5 million.