

INTERIM A&R COMMITTEE

ELECTRIC VEHICLE POWER EXCISE TAX

November 6, 2024

TEAM 
KENTUCKY



Tax / Legislation Overview

House Bill 8	Details
Per-kWh Tax Rate:	3.0 cents/kWh
Surtax Added When Located on State Property:	3.0 cents/kWh
Legislation Enacted:	April 14, 2022
Became Effective on:	January 1, 2024
Scope:	Publicly accessible chargers only.
Means of Collection:	Charging station operators must register and then file tax reports monthly via an online portal.

Implementation Detail

- Publicly-accessible charging station operators report and remit the tax by the 25th monthly.
- Filers submit returns and payments via the Department of Revenue (DOR) online portal. [Electric Vehicle Power - Kentucky Department of Revenue](#)
- Reports capture power distribution per individual power station or port.
- The tax is added to the selling price of the power provided at the electric vehicle charging station.

Charging Station Registrations

- Currently, DOR has 25 registered accounts covering 51 charging station locations that include 164 chargers.
- DOR continues to contact new charging station installations to determine whether the stations are subject to tax and who is responsible to file & report. Department of Energy website (Alternative Fuels Data Center) is monitored monthly for new public charging station locations.
- Original bill provisions excluded chargers with no selling price that were installed before July 1, 2022, and all chargers with a charging capacity of less than 20 kilowatts (Level 2 chargers) were eliminated from the base by 2024 legislation in HB 122.

Collections and Annual Rate Adjustment

FY 2024 (Feb - Jun)	\$168,281
FY 2025 (Jul - Oct)	<u>\$169,928</u>
Total to Date	\$338,209

- The DOR adjusts the rate annually based upon the percentage change in the quarterly National Highway Construction Cost Index 2.0 from the current year to the previous year.
- Annual adjustments cannot increase or decrease more than 5% or go below the initial base of \$0.03 per kilowatt hour.
- The annual adjustment applies to the excise tax, surtax, and the ownership fees under KRS 138.475.
- DOR must provide notice at least 20 days prior to the January 1 effective date for any rate change.
- The excise and surtax rates are projected to increase to \$0.032 in January.

Contact Information

Department of Revenue:

<https://revenue.ky.gov/Business/Pages/Electric-Vehicle-Power-Excise-Tax.aspx>

Tax Answers:

<https://taxanswers.ky.gov/Sales-and-Excise-Taxes/Pages/default.aspx>

Excise Tax Section Email: dor.webresponseexcisetax@ky.gov

Excise Tax Section Phone Number: 502-564-3853

Office of Sales & Excise Taxes

Executive Director:	Richard Dobson	Richard.Dobson@ky.gov	502-564-5523
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Division of Miscellaneous Taxes

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ELECTRIC VEHICLE POWER EXCISE TAX

The information in this presentation is for educational and informational purposes only and does not constitute legal advice. Information is presented as an overall review that is subject to law changes and may not apply to all states. For accurate information on issues related to Electric Vehicle Power Excise Tax, please reference KRS 138.477.

Information in this presentation is believed to be accurate as of the date of publication. In the event that any information in this presentation is later determined to be in error, this presentation cannot be used by taxpayers in supporting a specific position or issue before the Department of Revenue, as it does not have the statutory or regulatory authority.

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