



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
First Regular Session

**HB 2437: fuel; electric cars; hybrids; taxes**  
**Sponsor: Representative Carroll, LD 22**  
**Committee on Transportation**

**Overview**

Imposes an annual tax rate on electric and hybrid vehicles.

**History**

Pursuant to [A.R.S. § 28-5606](#), a tax of 18 cents per gallon is imposed on motor vehicle fuel possessed, used or consumed in Arizona. Additionally, a tax is imposed on use fuel to partially compensate Arizona for the use of its highways, except that there is no use fuel tax on alternative fuels. For use fuel that is used in the propulsion of a light class motor vehicle on a highway in Arizona, the tax imposed is 18 cents per gallon. For use fuel that is used in the propulsion of a use class motor vehicle on a highway in Arizona, the tax imposed is 26 cents per gallon. Through December 31, 2024, a nine cent per gallon tax is imposed on use fuel used in the propulsion of a motor vehicle transporting forest products in compliance with statutory requirements on a highway in Arizona.

[A.R.S. § 28-6501](#) requires monies collected from the motor vehicle and use fuel tax be deposited in the Highway User Revenues Fund (HURF). After initial distributions, the Arizona Department of Transportation (ADOT) is required to allocate, and the State Treasurer is required to distribute monies in HURF as follows: 1) 50.5% to the State Highway Fund; 2) 19% to counties; 3) 27.5% to incorporated cities and towns; and 4) 3% to incorporated cities with a population of 300,000 or more persons ([A.R.S. § 28-6538](#)).

**Provisions**

1. Imposes an annual tax rate on a vehicle propelled only by electricity that access a street or highway as follows:
  - a) For FY 2022, \$111;
  - b) For FY 2023, \$139;
  - c) For FY 2024, \$166; and
  - d) For FY 2025 and each FY thereafter, \$166 per year as adjusted annually to reflect the change in the GDP implicit price deflator reported by the U.S. Department of Commerce from January 1, 2021 to December 31 of the prior year. (Sec. 1)
2. Imposes an annual tax rate on a vehicle propelled by a combination of electricity and other fuels that access a street or highway as follows:
  - a) For FY 2022, \$45;
  - b) For FY 2023, \$56;
  - c) For FY 2024, \$67; and
  - d) For FY 2025 and each FY thereafter, \$67 per year as adjusted annually to reflect the change in the GDP implicit price deflator reported by the U.S. Department of Commerce from January 1, 2021 to December 31 of the prior year. (Sec. 1)
3. Contains a Prop. 108 Clause. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes) <input checked="" type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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