

## Minnesota Factsheet

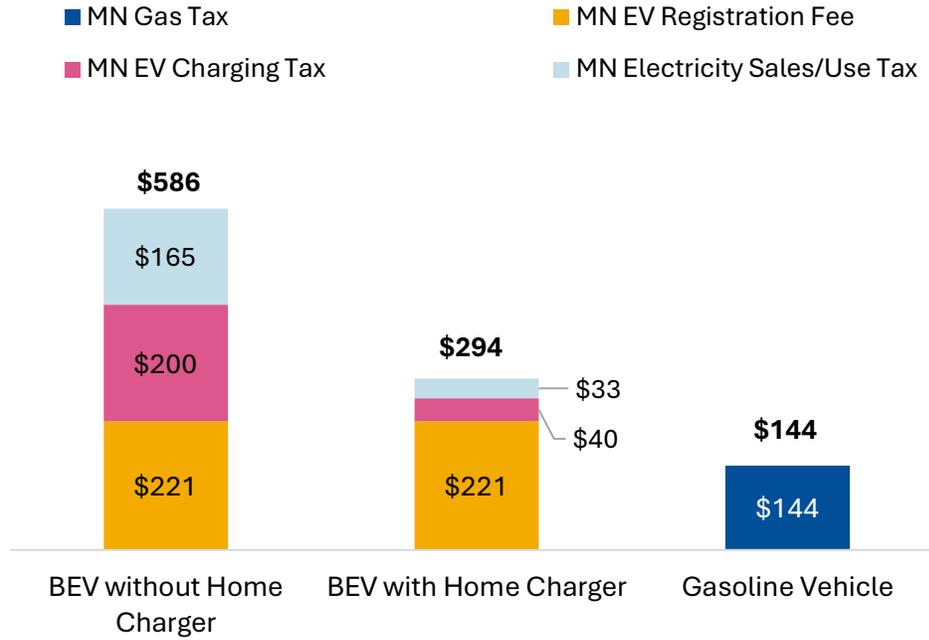
In June 2025, the Minnesota legislature passed legislation that creates a higher EV registration fee, a new PHEV fee, and an energy-based charging tax [58]. These taxes and fees make Minnesota the state with the highest EV penalty in the United States, at \$442 per year. The EV penalty measures how much more an EV driver who relies on public charging pays in road user fees and taxes than a gas car driver pays in gas taxes.

Minnesota's EV charging tax, 0.5 cents per kwh, applies to public fast chargers with a capacity over 50 kilowatts (DCFC chargers) and takes effect in 2027. Chargers in operation before October 1, 2023, are exempt until 2032.

- **Estimated Revenue:** \$3.5 million in 2025 and \$13.8 million by 2030.
  - Accounts for less than 0.28 percent of highway spending in 2030.
- **Cost to Collect:** No provision for collection and administrative costs. The owner or operator of the charging station is responsible for collecting and paying the tax. Charging stations must use a metering system on or after October 25, 2025, therefore metering costs are likely to be incurred by station operators.
- **Estimated Cost to EV Drivers:** \$40 per year if the driver has access to a home charger and \$200 per year if the driver does not have access to a home charger.

The new EV fee is 0.5 percent of the vehicle's MSRP for BEVs and 0.25 percent of the vehicle's MSRP for PHEVs. For example, for a Tesla Model 3, the annual EV fee in year one is \$212 (0.5 percent of the \$42,490 MSRP). Over time the MSRP used to calculate the EV fee is adjusted downward, and once the vehicle reaches 10 years of age, the fee is levied at 10 percent, with a minimum fee of \$150.

Average State Taxes and Fees for Electric Vehicles vs Gasoline Vehicles in MN



Assumes vehicles travel 12,000 miles per year, BEVs consume 4,000 kWh of electricity per year and have an energy efficiency of 3 kWh per mile, and gasoline vehicles have a fuel efficiency of 23.7 mpg. Assumes those with access to home charging use public chargers, where taxes would apply, for 20 percent of their charging needs and those without access to home charging use public chargers for 100 percent of their charging needs. PHEVs are not considered.