AMERICAN PUBLIC TRANSPORTATION ASSOCIATION
FACT SHEET
H.R. 8870, THE BUILD AMERICA 250 ACT
ELECTRIC AND HYBRID VEHICLE REGISTRATION FEE
July 1, 2026

H.R. 8870, the "BUILD America 250 Act", as amended, includes what would be the first increase in dedicated revenues into the Highway Trust Fund since 1993. Section 1129 of the bill imposes an annual registration fee of $130 for a covered electric vehicle (EV) and $35 for a covered plug-in hybrid vehicle to be collected by each State. The fee would raise a significant amount of money but only a small percentage of what is needed to make the Highway Trust Fund solvent.

Summary

The Highway Trust Fund, which is the primary mechanism to fund Federal public transit and highway investment, has experienced a structural deficit for more than two decades. The Trust Fund primarily relies on gas and diesel taxes[1] for revenues, and the last time Congress raised the rates of those fuel taxes was 1993. Under current law, of both the 18.3 cents per gallon of gasoline and 24.3 cents per gallon of diesel fuel deposited in the Highway Trust Fund, 2.86 cents is deposited in the Mass Transit Account of the Trust Fund.[2] Other revenue sources for the Highway Trust Fund include taxes on alternative fuels,[3] taxes concerning heavy-duty vehicles,[4] penalties,[5] and interest on Trust Fund balances.[6]

For the past two decades, growing investment, increased construction and manufacturing costs, and stagnant revenues have all contributed to an ever-widening Trust Fund deficit. Congress must provide more than $150 billion to the Trust Fund to support the investments authorized in H.R. 8870 over the next five years (FY 2027 – FY 2031).

To partially address the shortfall, the BUILD America 250 Act instructs the Administrator of the Federal Highway Administration (FHWA) to impose annual fees on the owners of electric and hybrid vehicles[7] that begin at $130 and $35, respectively, and gradually increase every two years to $150 and $50, respectively. The fees are collected by State motor vehicle departments and remitted to the Administrator. States may receive grants of up to $2 million to implement this

[1] 26 U.S.C. §4081(a)(2)(A).
[2] 26 U.S.C. §9503(e)(2).
[3] 26 U.S.C. §4041.
[4] 26 U.S.C. §4051(a)(1), 26 U.S.C. §4481, 26 U.S.C. §4071(a).
[5] 26 U.S.C. §9503(b)(5).
[6] 26 U.S.C. §9602.
[7] H.R. 8870 proposes a new section in law, 23 U.S.C. §182. Section 182(g)(2) exempts commercial motor vehicles, including many vehicles used to transport passengers, as defined in 49 C.F.R. 390.5, from the new registration fee. Under current law, most, if not all, public transit vehicles are exempt from Federal fuel taxes.

program. States that do not comply with this requirement will be subject to withholding of highway contract authority.[8]

The BUILD America 250 Act, as approved by the House Committee on Transportation and Infrastructure on May 22, does not deposit the new revenues into the Highway Trust Fund. The Highway Trust Fund is part of the Internal Revenue Code, which is the jurisdiction of the House Committee on Ways and Means. To date, the Ways and Means Committee has not released a tax title for the bill.

However, H.R. 8870 includes this nonbinding clause:

> *(e) SENSE OF THE COMMITTEE.—It is the sense of the Committee on Transportation and Infrastructure of the House of Representatives that registration fees collected [by this program] should be deposited into the Highway Trust Fund and divided between accounts of such Trust Fund in the same manner as excise taxes enacted after 1982 are deposited into such Trust Fund.*

The clause refers to the establishment of the Mass Transit Account of the Highway Trust Fund in 1982 under President Ronald Reagan. Since 1982, each revenue increase into the Trust Fund has been specifically split with 80 percent deposited in the Highway Account and 20 percent deposited in the Mass Transit Account, including the:

- Surface Transportation Assistance Act of 1982 (P.L. 97-424);
- Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508);
- Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66);
- Taxpayer Relief Act of 1997 (P.L. 105-34); and
- Transportation Equity Act for the 21st Century (TEA 21) (P.L. 105-178).[9]

APTA Position

APTA's 2026 *Surface Transportation Authorization Recommendations* supports an electric vehicle fee that increases revenues into the Highway Trust Fund. APTA's support, however, is contingent on any final legislation ensuring that any new revenue into the Trust Fund includes deposits into the Mass Transit Account, with an 80-20 highway-public transit split.

[8] Under the bill, FHWA withholds 125 percent of the amount that the State failed to remit under this program.
[9] In fact, in TEA 21, Congress corrected a $0.01 error from the Taxpayer Relief Act (TRA) to ensure that the TRA's revenue increase reflected the appropriate 80-20 split. TEA 21 increased the public transit share of Trust Fund revenues from 2.85 cents to 2.86 cents per gallon of gasoline or diesel fuel.