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How Government Intervention Fuels the Cost of Car Ownership

By Kristen Walker



Executive Summary

Cars are essential for many Americans and the cumulative costs, many of which stem from legislative action, are making personal transportation increasingly unaffordable.

From the moment a car is purchased, consumers face sales tax, registration fees, and licensing costs that vary widely by state. Ongoing expenses like fuel are also needlessly increased by policy decisions, including federal and state taxes and environmental regulations that affect supply and pricing.

Beyond direct costs, broader regulations—such as fuel economy standards and electric vehicle mandates—impact the types and prices of available vehicles. While these policies aim to reduce emissions, they also raise manufacturing costs and shift expenses onto consumers, often in ways that aren't immediately visible.

Public policy measures that regulate vehicle fuels contribute to higher gasoline prices, further increasing costs.

These government interventions of direct taxation, environmental statutes, and market manipulation are driving up the cost of car ownership, adding upwards of \$11,000 or more to the purchase price and its first year on the road. Excessive government encroachment is making it harder to get behind the wheel, a necessity of modern American life.

Many environmental regulations have minimal beneficial impacts but impose steep financial burdens on consumers. Plenty of the funds collected are not directed at the appropriate destination or are not being used effectively. Consumers are paying too much for government programs that offer little in return.

Policies that do little to improve air quality or climate need to be revised or abandoned. Lawmakers need to put an end to misallocating or squandering the various funds secured through vehicle taxation methods.

This report calls for a reevaluation of these measures and advocates for consumer choice, market-driven innovation, and more efficient public spending. We need to strike a much better balance between appropriate taxation, regulatory actions, and the affordability of owning a vehicle.

Introduction

Americans are often accused of having a love affair with cars. Whether it's the thrill of the open road, the sense of freedom and independence, the embodiment of pride and adoration, or simply a matter of mobility and utility, the distinct ties to one's vehicle are undeniable.

Ninety-two percent of U.S. households have at least one vehicle; nearly 60 percent have two or more.¹ The average American buys 9.4 cars over their lifetime.² Even with the relatively high number of vehicles purchased, car ownership does not come cheap. Next to housing, transportation is the largest expense at roughly \$12,295 per year where 93 percent of that figure goes towards purchasing, maintaining, and operating vehicles.³

Various government regulations, requirements, and taxes add to the overall financial weight that comes with owning and operating a vehicle in the U.S. Some are direct fees imposed on every driver while others become unintentional consequences of legislative action. Overall, the average motorist encounters an assortment of mandatory fees or extraneous expenses, that increase the cost of owning a personal vehicle.

Consumers already pay a significant amount for the car itself plus financing, insurance, fuel, repairs, and maintenance. Compounding the expense with government-inflicted costs strains household budgets and might preclude some from affording personal transportation.

Government officials need to consider how consumers are affected by legislative measures and take steps to alleviate the financial burdens placed on vehicle owners.

¹ Katherine Schaeffer, "1 in 10 Americans Rarely or Never Drive a Car," Pew Research Center, November 14, 2024, <https://www.pewresearch.org/short-reads/2024/11/14/1-in-10-americans-rarely-or-never-drive-a-car/#:~:text=Most%20U.S.%20households%20have%20a,at%20least%20one%20vehicle%20available>.

² Theresa Bennett, "How Often Do People Buy Cars?" Chaiz, May 19, 2025, <https://www.chaiz.com/blog/how-often-do-people-buy-cars>.

³ Institute for Transportation & Development Policy, "The High Cost of Transportation in the United States," January 24, 2024, <https://itdp.org/2024/01/24/high-cost-transportation-united-states/>.

Direct Costs

Taxes and Fees Just for Owning a Car

The first major expense imposed by government fiat is at the point of sale: Forty-five states levy a sales tax on all vehicle purchases. The three highest tax rates come from Nevada at 8.25 percent, and Illinois and California at 7.25 percent.⁴ Indiana, Georgia, Rhode Island, and Tennessee tie for fourth with seven percent. The national average being 4.99 percent, a motorist who pays the average manufacturer's suggested retail price (MSRP) of roughly \$48,000 on a new vehicle will pay a \$2,395 sales tax.

Every vehicle on U.S. roads and highways must be licensed and registered through its home state. Annually levied on a state-by-state basis, cars are often assessed according to size, age, weight, and fuel-type. Brand-new vehicles are commonly charged a higher amount the first year and experience a gradual decline in following years. Some states, however, charge a flat rate regardless, while others issue an initial steep charge then follow each annual renewal with a simple flat rate.

Table 1 illustrates the wide variation among 15 states (chosen to represent varying regions, population sizes, and assessment strategies) for licensing, registration, and other associated taxes and fees the first five years of owning a brand new 2025 passenger vehicle MSRP of \$48,000.⁵

Table 1 STATE LICENSE AND REGISTRATION FEES

State	2025	2026	2027	2028	2029
New Hampshire	\$925.20	\$781.20	\$637.20	\$493.20	\$349.20
Colorado	\$922.88	\$680.63	\$559.50	\$438.38	\$256.69
Nebraska	\$918.70	\$832.70	\$746.70	\$660.70	\$574.70
Minnesota	\$767.25	\$729.45	\$691.65	\$616.05	\$540.45
Nevada	\$733.00	\$698.00	\$628.00	\$558.00	\$488.00
Arizona	\$693.60	\$580.89	\$486.50	\$407.44	\$341.23
California	\$641.00	\$610.00	\$579.00	\$482.00	\$451.00
Iowa	\$493.40	\$493.40	\$493.40	\$493.40	\$493.40
Florida	\$391.80	\$46.10	\$46.10	\$46.10	\$46.10
Wisconsin	\$317.00	\$153.00	\$153.00	\$153.00	\$153.00
Illinois	\$316.00	\$151.00	\$151.00	\$151.00	\$151.00
Idaho	\$134.48	\$134.48	\$134.48	\$134.48	\$117.48
Tennessee	\$123.00	\$104.00	\$104.00	\$104.00	\$104.00
New Mexico	\$62.00	\$62.00	\$62.00	\$62.00	\$62.00
West Virginia	\$51.50	\$51.50	\$51.50	\$51.50	\$51.50

⁴ Rachel Brennen, "Auto Tax Rates by State," Policy Genius, February 7, 2024, <https://www.policygenius.com/auto-insurance/auto-tax-rate-by-state/#:~:text=Car%20sales%20tax%20rates%20fall,a%20car%20tax%20at%20all.>

⁵ F&I Tools USA, "DMV Fees by State," Accessed August 4, 2025, [https://www.factorywarrantylist.com/dmv-fees-by-state.html#google_vignette.](https://www.factorywarrantylist.com/dmv-fees-by-state.html#google_vignette)

Each state also requires all motorized vehicles to pass an annual or biennial safety and/or emissions test. A safety inspection verifies a vehicle meets minimum safety standards; emissions tests ensure it meets certain environmental standards. Varying by state, a safety test costs consumers anywhere from \$15 to \$50 and an emissions test between \$30 to \$70.⁶

A handful of states levy a property tax on vehicles in addition to license and registration fees. While the latter fees might be minimal in these particular states, the property tax can be substantial, making car ownership costly. Virginia, for instance, has the highest personal property tax: A vehicle with an MSRP of \$48,000 may only be \$50 to register but could cost a Virginian motorist living in Loudoun County roughly \$1,750 in taxes the first year alone.⁷ A Connecticut resident could pay approximately \$1,300.⁸ These figures gradually decline each year as the vehicle loses value.

Most states make owning and operating a vehicle expensive through high taxes, registration, and licensing fees. The same Virginian paying \$1,750 in property taxes is also paying \$1,992 in sales tax.⁹

Costs of Refueling Your Vehicle

Motorists pay more than necessary at the pump to refuel their vehicles because policies have inflated the price of gasoline. Every gallon of gas is riddled with extra taxes and fees as well as inadvertent costs caused by well-meaning but burdensome legislative measures.

⁶J&S Automotive, "Vehicle Inspection Cost Breakdown: Tips to Save Money," April 9, 2025, [https://jandsautomotive.com/blog/vehicle-inspection-cost-breakdown/#:~:text=A%20basic%20safety%20inspection%20typically,can%20cost%20\\$30%20to%20\\$70..](https://jandsautomotive.com/blog/vehicle-inspection-cost-breakdown/#:~:text=A%20basic%20safety%20inspection%20typically,can%20cost%20$30%20to%20$70..)

⁷ Loudoun County Virginia, "Calculating Vehicle Tax," Accessed August 4, 2025, <https://www.loudoun.gov/1625/Calculating-the-Tax>.

⁸ Town of Tolland Connecticut, "Tax Calculation Form — Motor Vehicles," Accessed August 4, 2025, <https://www.tollandct.gov/tax-department/pages/tax-calculation-form-motor-vehicles>.

⁹ Virginia Department of Motor Vehicles, "Motor Vehicle Sales and Use Tax," Accessed August 4, 2025, [https://www.dmv.virginia.gov/vehicles/taxes-fees/sut#:~:text=Virginia%20is%20required%20to%20collect,or%20\\$75%2C%20whichever%20is%20greater](https://www.dmv.virginia.gov/vehicles/taxes-fees/sut#:~:text=Virginia%20is%20required%20to%20collect,or%20$75%2C%20whichever%20is%20greater).

Gasoline Taxes

Each state collects its own gas taxes in addition to the \$0.184 per gallon federal tax. Table 2 illustrates the five states with the highest (in red) and lowest (in blue) total taxes paid per gallon of gasoline, according to data provided by the Energy Information Administration (EIA) as of July 2025.¹⁰

Table 2 FIVE HIGHEST AND FIVE LOWEST STATE GAS TAXES

Rank	State	State Gas Tax	Federal Gas Tax	Total	Taxes paid per year*
1	California	\$0.71	\$0.18	\$0.89	\$436.77
2	Illinois	\$0.66	\$0.18	\$0.85	\$414.67
3	Washington	\$0.59	\$0.18	\$0.77	\$378.68
4	Pennsylvania	\$0.59	\$0.18	\$0.77	\$377.02
5	Indiana	\$0.55	\$0.18	\$0.73	\$356.48
46	Texas	\$0.20	\$0.18	\$0.38	\$187.78
46	Oklahoma	\$0.20	\$0.18	\$0.38	\$187.78
47	Arizona	\$0.19	\$0.18	\$0.37	\$182.87
48	New Mexico	\$0.19	\$0.18	\$0.37	\$182.30
49	Hawaii	\$0.19	\$0.18	\$0.37	\$180.44
50	Alaska	\$0.09	\$0.18	\$0.27	\$133.75

*BASED ON NATIONAL AVERAGE OF 489 GALLONS

Californian's pay the highest taxes per gallon of gasoline; Alaskans pay the lowest. A typical motorist who purchases 489 gallons of gasoline a year will pay \$436.77 in gas taxes to fuel up in California and \$133.75 in Alaska. With the national average tax being \$0.51, the average motorist pays \$249.39 in gas taxes.

¹⁰ U.S. Energy Information Administration, "Average state tax rates for retail gasoline and diesel fuel nearly flat since July 2024," February 21, 2025, <https://www.eia.gov/todayinenergy/detail.php?id=64585>.

The Renewable Fuel Standard

Biofuels have existed for centuries but only became commercially manufactured and available in the 1990s. Food products such as corn, soybean, sugarcane, and vegetable oil are converted into fuel and blended with the petroleum products motorists use to power their vehicles. Elected officials intervened with regulations mandating specific biofuel quotas when concerns surrounding oil supply uncertainties, overreliance on foreign countries, and global warming began to escalate.

Established under the Energy Policy Act of 2005, and expanded under the Energy Independence and Security Act of 2007, the Renewable Fuel Standard (RFS) sets annual Renewable Volume Obligations (RVO) of biofuels refiners must blend into the U.S. transportation fuel supply.¹¹ RVOs generally increase each year. Corn ethanol dominates the U.S. biofuel market, and almost every gas pump in the country (98 percent) contains at least 10 percent ethanol; some gas stations have higher blends.¹² Biofuels have not been the silver bullet its advocates declare them to be.

Since ethanol has roughly 68 percent the energy content as pure gasoline, a vehicle can only travel two-thirds the distance on one gallon of pure ethanol than it would on one gallon of pure gasoline.¹³ Gas mileage is sacrificed as a result of blending the two, forcing motorists to fill their tanks more frequently; more blended fuel is required to cover the same ground as pure gasoline. According to R Street research, over a 10-year period (2014–2023) Americans spent \$28 billion more on ethanol than the same amount of energy from gasoline would have cost.¹⁴

RVO compliance obliges refiners to blend renewable fuels with their gasoline or purchase credits from other parties who have generated or imported more than their own requirements. For every gallon of biofuel produced, a Renewable Identification Number (RIN) is also created, and then separated upon blending. Separated RINs may be submitted, traded, or banked for future use.

¹¹ U.S. Environmental Protection Agency, Overview of the Renewable Fuel Standard Program, <https://www.epa.gov/renewable-fuel-standard-program/overview-renewable-fuel-standard-program>.

¹² U.S. Energy Information Agency, Frequently Asked Questions, April 1, 2024, <https://www.eia.gov/tools/faqs/faq.php?id=27&t=10#:~:text=There%20are%20three%20general%20categories,up%20to%2085%25%20fuel%20ethanol>.

¹³ Wells Fargo Equity Research, “Independent Refiners: Here Comes the RVO,” May 23, 2022, <https://www.fuelingusjobs.com/library/public/Study/Independent-Refiners-Here-Comes-the-RVO.pdf>.

¹⁴ Philip Rosetti, “We Should Reevaluate the Costs and Benefits of the Renewable Fuel Standard,” R Street, July 2, 2025, <https://www.rstreet.org/commentary/we-should-reevaluate-the-costs-and-benefits-of-the-renewable-fuel-standard/>.

The RIN market fluctuates, completely responsive to supply and demand and other compliance challenges. In 2010 RIN prices for conventional biofuel were a few cents a gallon; by late 2022 they peaked at \$1.69.¹⁵ Whether or not a refiner purchases an RIN, prices at the pump reflect the implicit value of the RIN that either was bought or had the potential to be bought. R Street further estimates that the cost of RFS compliance between 2014 and 2023 was \$138 billion.¹⁶ Essentially, the RFS costs approximately \$166 billion over a 10-year period after combining the two figures.

RFS is adding roughly 30 cents a gallon to the wholesale cost of gasoline.¹⁷ The EPA notes in a cost analysis, “The biofuel costs are higher than the costs of the gasoline, diesel, and natural gas that they displace,” and therefore the mandated usage of such fuels leads to higher fuel costs overall.¹⁸

RFS may have good intentions; but after 20 years of existence, it has had multiple unintended consequences, one of which makes transportation more expensive. It has raised gasoline prices, hurt small refineries, and inflicted environmental damage.¹⁹

Drilling Moratoriums and Constricting Oil Supplies

The cost of crude oil is the largest factor (roughly half) in the retail price of gasoline. Crude oil prices are impacted by geopolitics and global market fundamentals including supply and demand, inventories, seasonality, financial market considerations, and expectations. There’s a lot of moving pieces, especially on the global stage, and a disruption in one or more can cause price fluctuations.

¹⁵ U.S. Environmental Protection Agency, “RIN Trades and Price Information,” Last Updated January 3, 2025, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-trades-and-price-information>.

¹⁶ Philip Rosetti, “Costs and Benefits of the Renewable Fuel Standard,” 2025.

¹⁷ Editorial Board, “The Ethanol Gasoline Tax,” Wall Street Journal, May 14, 2021, <https://www.wsj.com/opinion/the-ethanol-gasoline-tax-11621032039>.

¹⁸ Dan Goldbeck, “Latest Round of Renewable Fuel Standards Drive Sizeable Week,” American Action Forum (blog), July 17, 2023, <https://www.americanactionforum.org/week-in-regulation/latest-round-of-renewable-fuel-standards-drive-sizeable-week/>.

¹⁹ Kristen Walker, “The Renewable Fuel Standard 20 Years Later: What it Has and Has Not Done,” American Consumer Institute, July 21, 2025, <https://www.theamericanconsumer.org/2025/07/policy-primer-what-the-renewable-fuel-standard-has-and-has-not-done/>.

Prior to the shale revolution in 2005, the U.S. depended on foreign nations for roughly 60 percent of its oil supply, predominantly from the Organization of the Petroleum Exporting Countries (OPEC).²⁰ Since the shift, the U.S. has been steadily increasing crude oil production, reaching energy independence in 2019: Oil exports finally exceeded imports. Gasoline prices remained steady, even declining, demonstrating that increasing oil output at home makes us less vulnerable to oil price shocks. Had it not been for the shale innovation, oil prices would have been roughly 36 percent higher back in 2018 and energy independence would have been a pipe dream.

Several components factoring into crude oil pricing are generally out of a government's control; but leaders have some influence over the supply. The Biden administration, for example, set moratoriums and restrictions on the oil and gas industry, giving OPEC more pricing power; the average price per barrel of oil during this time frame reached record highs, even after adjusting for inflation.²¹ Daily U.S. oil production was 1–5 million barrels short of where it could have been without the policy barriers which have prevented it from keeping up with increased demand.

As oil production has picked up under a new administration, the EIA predicts “the price for retail gasoline across the U.S. will average less than \$2.90 per gallon (gal) next year, about 20 cents/gal (6 percent) less than this year” because “lower crude oil prices push down retail prices for petroleum products.”²²

Policies put in place that limit or unleash the amount of oil production do make a difference in gasoline prices, costing or saving consumers more at the pump.

California's Special Blends, Refining Regulations, and Environmental Fees

California has the strictest environmental standards in the country which affect not only the 12 percent of the population who live there but the millions of Americans who rely on the country's busiest ports to receive and haul goods. From producing, refining, and managing petroleum products, California regulates it all, and their prices reflect that.

²⁰ Nathan Balke, Xin Jin, Mine Yucel, “The Shale Revolution and the Dynamics of the Oil Market,” Federal Reserve Bank of Dallas, June 2020, [a](#).

²¹ Stephen Moore and Casey Mulligan, “The War on Oil and Gas has Cost America \$250 Billion in Lost Output,” Committee to Unleash Prosperity, May 2024, [a](#).

²² U.S. Energy Information Administration, “Short-term Energy Outlook,” August 12, 2025, <https://www.eia.gov/outlooks/steo/>.

The California Air Resources Board (CARB) instituted reformulated gasoline (RFG), a special blend which burns much cleaner than any other fuel, to reduce emissions of smog-forming pollutants and toxins. Many cities within the state are highly susceptible to intense smog, especially Los Angeles. More expensive to produce, RFG adds roughly 22 cents per gallon, driving up California's already high price of gasoline.²³

In addition to special blends, California mandates a summer-grade gasoline which has a lower volatility to limit evaporative emissions that normally increase with warm weather and cause unhealthy ground-level ozone.²⁴ Consumers see an additional price increase of 10 to 15 cents per gallon during these months because of higher refining costs.

California's RFG blend and summer-grade fuel have seen success: While still far from perfect, air quality across the state has significantly improved.²⁵

The Golden State also has environmental policies which inflict compliance costs.²⁶ The Cap-and-Trade Program sets a cap on greenhouse gas emissions on fuel distributors who must reduce their emissions or purchase credits from others. The Low Carbon Fuel Standard requires fuel suppliers to reduce the carbon intensity of fuels sold in the state by mandating high-carbon fuel producers buy credits from low-carbon fuel producers. These regulations add another 54 cents to each gallon of gasoline.

Two years ago, the state passed the Gas Price Gouging and Transparency Law which gives the California Energy Commission (CEC) statutory authority to issue regulations. The CEC created import reporting regulations requiring all entities along the importing supply chain to submit new monthly reports on their gross gasoline refining margins and detailed information on expenses and wholesale gasoline sales.²⁷

²³ "Stillwater's Projected Costs of the Approved HB 1091 Clean Fuels Standard," Stillwater Associates, June 15, 2021, <https://stillwaterassociates.com/stillwaters-projected-costs-of-the-approved-hb-1091-clean-fuels-standard/?cn-reloaded=1>.

²⁴ Robert Rapier, "Why We Have Summer Gasoline Blends—and Why They Matter," Forbes, February 23, 2025, <https://www.forbes.com/sites/rrapier/2025/02/23/why-we-have-summer-gasoline-blends-and-why-they-matter/>.

²⁵ Samantha Delouya, "Here's Why Gas Always Costs More in California," CNN, January 27, 2024, <https://www.cnn.com/2024/01/27/business/why-does-gas-cost-more-in-california>.

²⁶ U.S. Energy Information Administration, "Why California Usually Pays More at the Pump for Gasoline," May 5, 2025, <https://www.eia.gov/todayinenergy/detail.php?id=65184>.

²⁷ "California Issues Major New Gasoline Regulations for Refiners, Traders, and Brokers Through Emergency Rulemaking," Sidley Austin LLP, June 5, 2024.

Attempting to address price volatilities due to potential supply shocks, the governor recently gave the CEC greater authority to require refineries maintain minimum levels of inventory.²⁸ Violators could be fined anywhere between \$100,000 and \$1,000,000 per day of noncompliance. Both measures increase costs for all parties and will likely trickle down to consumers in the form of higher gasoline prices.

The state's austerity has already bred negative consequences. Because of "regulatory developments that are averse to or restrict refining and marketing operations," California faces the reality of two refinery closures in the coming year.²⁹ Losing the combined 300,000 barrels (20 percent of the state's supply) is predicted to create severe shortages and price hikes at the pump, greater reliance on refineries in Asia, and price volatility. The Golden State had well over 40 refineries half a century ago; after these closures, only nine will be left standing.

California's high gasoline prices and supply dilemmas led one University of Southern California professor to conclude after recently conducting a thorough study that these prices are "largely self-inflicted, and the result of directed policies and a litany of regulations, taxes, fees and costs."³⁰

Altogether, gasoline taxes, RFS, and drilling moratoriums could be adding an extra dollar to the price of a gallon of gas for the average driver. A Californian will be paying at least an extra \$2.20 or more due to government intervention.

Driving on Certain Roads Will Cost You

The Northeast and Mid-Atlantic regions have a high concentration of toll roads on major interstates, turnpikes, bridges, and express lanes. Either entirely publicly owned or involved in a public-private partnership, states decide how the roads are built and maintained, and these decisions greatly affect the costs incurred by motorists. Part of the problem is that revenue collected for the direct function of road maintenance and expanding infrastructure is not always used for its intended purpose.³¹ Drivers are left with few options and must often take toll roads to reach their destination.

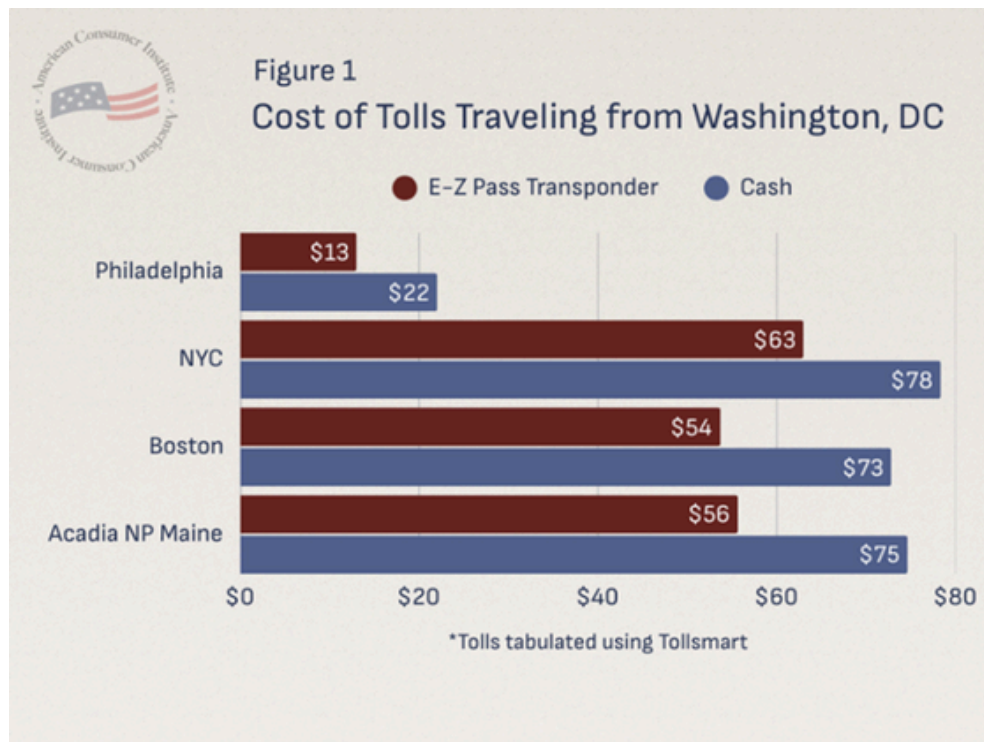
²⁸ U.S. Energy Information Administration, "California law and refinery closure reflect ongoing challenges for the state's fuel market," December 9, 2024.

²⁹ Madilynne Medina, "Bay Area Refinery Closure Could be 'Huge Blow' for Calif Drivers," SF Gate, April 21, 2025, <https://www.sfgate.com/bayarea/article/california-refinery-closure-affect-gas-prices-20283506.php>.

³⁰ Cameron Arcand, "New Study Exposes How a Blue State's 'Self-inflicted' Policies are Responsible for High Gas Prices," Fox Business, April 4, 2025, <https://www.foxbusiness.com/politics/new-study-exposes-how-blue-states-self-inflicted-policies-responsible-high-gas-prices>.

³¹ Baruch Feigenbaum and Joe Hillman, "How Much Gas Tax Money States Divert Away from Roads," Reason Foundation, June 30, 2020, <https://reason.org/policy-brief/how-much-gas-tax-money-states-divert-away-from-roads/>.

Traveling along the upper East Coast can be expensive; an individual incurs sizeable fees driving from one major city to another. Figure 1 illustrates what a passenger car pays for a one-way trip with a starting point of Washington, DC to various destinations up the coast.³² Just driving 150 miles north to Philadelphia costs \$22 in tolls. A trip to Acadia National Park costs \$75 to drive up (and \$55 driving back).



It is common for individuals to live well outside a city center and commute lengthy distances. For example, an individual who resides in Danbury, CT with an employer in downtown New York City would pay \$16.68 to drive into the office and \$6.95 for the return trip, if using an E-Z Pass. (The round trip would be close to \$33 if paid in cash.) That individual is paying \$118.15 a week, \$472.60 a month, and \$5,671.20 a year in tolls.

New York City is the most expensive city to drive into because tunnels and bridges will cost a passenger car \$16.06 and a five-axle vehicle \$108.40 each trip.³³ The new congestion pricing program that began early this year affects 150,000 daily commuters in Manhattan by charging \$9 a day with an EZ Pass and \$13.50 without. The fees will increase in 2031: \$15 and \$22.50, respectively.³⁴

³² Totals represent the quickest route. Some of these expenses can be avoided by taking alternate routes, but the length of travel would be extended. Also note: NYC's new "Congested Relief Zone" fee in lower Manhattan significantly adds to the cost of traveling to and from and around the city. [s.](#)

³³ Port Authority of New York and New Jersey, "New Toll Rates Effective on January 5, 2025," Accessed August 11, 2025, [s.](#)

³⁴ Julian Nazario, "No E-ZPass? Congestion pricing could cost you 50% more to drive into Manhattan," NBC New York, January 5, 2025, [s.](#)

The West Coast also charges some hefty bridge tolls: The San Francisco Bay Bridge is \$8, and the famous Golden Gate Bridge is \$9.75; five axles will cost \$30 and \$48.75, respectively.³⁵ Daily commuters into San Francisco pay close to \$200 in monthly bridge fees.

If state and local governments better utilized the taxes and fees collected through other means, toll roads would not be such a financial burden for drivers.

Indirect Costs

Franchise Laws Prevent Efficiency and Competition

Car franchises are independent businesses that have contracts with a specific auto manufacturer to sell that brand's new vehicles and offer their parts and service. The dealership owner (franchisee) operates under the manufacturer's (franchisor) established business model, pays fees, and follows brand standards in exchange for the right to use the brand's name, receive new vehicles, and access manufacturer support. The manufacturer provides new vehicle models, branding, marketing support, and ongoing training. The dealership owner invests capital, purchases new vehicle inventory directly from the manufacturer, employs and trains staff, and manages day-to-day operations.

State franchise laws regulate how new cars are sold to the general public. For example, manufacturers cannot sell directly to consumers, and dealers have exclusive territorial rights that prevent a manufacturer from opening additional dealerships within a given geographical area. Such stipulations insulate dealers from competition, eliminating threats that the manufacturer might open another competing franchise nearby; the existing dealers can charge consumers higher prices.

A study conducted by the Federal Trade Commission found that franchise restrictions pushed prices up by 7.63 percent in markets with increasing populations and 6.14 percent overall.³⁶ ACI's own 2018 study concluded that the protective measures granting exclusive dealership territories costs consumers nearly \$48 billion more per year.³⁷

³⁵ "Complete Bridge Tolling Information," 511 SF Bay, Accessed August 11, 2025, <https://511.org/driving/bridges/tolling-information>.

³⁶ Jerry Ellig and Jesse Martinez, "State Franchise Law Carjacks Auto Buyers," Mercatus Center, January 20, 2015, <https://www.mercatus.org/research/policy-briefs/state-franchise-law-carjacks-auto-buyers>.

³⁷ Steve Pociask, "Corporate Welfare: How Automobile Dealership Franchise Regulations Cost Consumers an Additional \$48 Billion Annually," American Consumer Institute, 2018, <https://www.theamericanconsumer.org/wp-content/uploads/2018/03/ConsumerGram-2018-FINAL-1.pdf>.

Laws are also in place that prevent manufacturers from terminating dealerships, or at least make it extremely difficult, providing little incentive to streamline or improve overall efficiency. After the 2008 Financial Crisis, automakers GM and Chrysler cut nearly three thousand underperforming dealerships as part of a restructuring plan.³⁸ More than half the dealers petitioned to reclaim their franchise; several of them remained closed while many settled for reinstatement or monetary compensation. Consumers are not immune from the increased costs from such tedious arbitration processes.

Franchise laws may have been appropriate at their onset more than half a century ago when mom-and-pop dealers needed protection. But the car market has completely shifted. Instead of only the “Big Three” automakers, nearly two dozen car companies compete in the marketplace. And many car dealerships are now part of multi-billion dollar dealer groups. The top 10 dealership groups in America have annual revenues around \$100 billion, which is more than any car company.³⁹

Completely different societal dynamics demand more adaptive and forward-thinking approaches. For instance, research suggests that automakers with fewer dealerships require significantly fewer days of inventory, which can reduce costs substantially.⁴⁰

Electric Vehicle (EV) maker Tesla bypassed traditional franchised dealerships by selling and servicing vehicles directly, citing inefficiencies and misaligned incentives with the dealer model.⁴¹ Dealers have opposed Tesla’s approach, leading to legal and legislative battles across states. Tesla has successfully prevailed in many cases: Nearly half of U.S. states now allow some form of direct EV sales. Other EV companies are exploring Tesla’s sales configuration of selling directly to consumers.

Franchise laws were passed to protect dealers, not consumers. There is no reason on behalf of the consumer to forbid direct sales and every reason to permit consumers to make their own choice about how they buy their cars. Manufacturers should be permitted to experiment with new sales methods rather than rely on restrictive and uncompetitive arrangements.

³⁸ Ellig and Martinez, “State Franchise Law,” 2015.

³⁹ Daniel Crane, “Reforming Michigan Vehicle Direct Sales Laws,” Cato Institute, Summer 2021, <https://www.cato.org/regulation/summer-2021/reforming-michigan-vehicle-direct-sales-laws>.

⁴⁰ Gérard Cachon and Marcelo Olivares, “Drivers of Finished-Goods Inventory in the U.S. Automobile Industry,” *Management Science* 56, no. 1 (2010): 202–216, https://business.columbia.edu/sites/default/files-efs/pubfiles/2857/olivares_drivers.pdf.

⁴¹ Crane, “Reforming Direct Sales Laws,” 2021.

Corporate Average Fuel Economy's Unintended Consequences

The federal government regularly passes legislation or standards to improve vehicle safety and efficiency. Mandated modifications require automakers to expend resources to facilitate those changes, thereby increasing the overall costs of automobiles. The countless adjustments manufacturers have had to make would be too many to list, and whether those alterations have merit is beyond the scope of this paper. But the biggest auto regulation involves the Corporate Average Fuel Economy (CAFE) standards, and the costs are considerable.

Set by the National Highway Traffic Administration (NHTSA), CAFE standards require automakers to meet a minimum average fuel efficiency threshold for vehicles manufactured and sold in the U.S. CAFE's original purpose was to reduce U.S. dependence on foreign oil. Enacted in 1975 when fuel efficiency averaged 13.5 miles per gallon (mpg) for a passenger car, the standard gradually increased from 18 mpg in 1978 to 27.5 mpg in 1990.⁴² Automakers face financial penalties for failing to meet standards.

Left unchanged for two decades, in 2010 NHTSA altered the CAFE standard to be based on a vehicle's footprint, a new mathematical formula that utilizes the area of the rectangle made by a vehicle's four tires. It aims to prevent automakers from having to reduce vehicle size to meet strict, one-size-fits-all fuel economy standards, which could have safety implications; each manufacturer receives its own fleet-wide standard. Now that the standard must be met by investing in new mileage-improving technology, rather than altering vehicle specs, the footprint-based standard increases the cost of the CAFE program.

President Obama announced in 2011 that CAFE standards would be increased to a projected average of 54.5 mpg across passenger cars and light trucks by 2025, using the footprint-based system.⁴³ The first Trump administration rolled this back to 43 mpg, but that was undone by the Biden administration, which wanted to raise the standard to 55 mpg by the 2026 model year.⁴⁴ The second Trump administration eliminated civil penalties for noncompliance with fuel economy standards.

⁴² Christopher Douglas, "The Costs and Benefits of CAFE Standards," Mackinac Center for Public Policy, October 3, 2022, <https://www.mackinac.org/S2022-06>.

⁴³ U.S. National Highway Traffic Safety Administration, "President Obama Announces Historic 54.5 mpg Fuel Efficiency Standard," Press Release, July 29, 2011.

⁴⁴ Timothy Puko and Katy Ferek, "U.S. Sets 55-Mile-a-Gallon Fuel-Efficiency Standard for 2026 Models," Wall Street Journal, December 20, 2021.

A National Bureau of Economic Research analyst and UC San Diego Economics professor Mark Jacobsen asserts that CAFE standards are three to four times more costly than a gasoline tax.⁴⁵ A gasoline tax lets consumers choose between cheaper strategies that reduce gas consumption such as smaller cars, hybrids, carpooling, relocating, combining trips, and bicycling; CAFE uses just a few strategies and misses the cheapest.

Jacobsen calculates that the cost of a one-mpg increase in CAFE standards costs consumers \$11.2 billion in value and auto manufacturers \$8.8 billion in profits the first year of the increase.⁴⁶ After 10 years, the majority of the cost is passed on to consumers who lose \$24.1 billion while automakers lose \$5.5 billion. A 9-mpg hike in CAFE standards could cost consumers well over \$200 billion.

Other economists estimate that within the first few years of a one-mpg increase in CAFE standards, consumers are estimated to lose \$6.5 billion in value from purchasing a new vehicle while automakers' profits fall by \$9.1 billion.⁴⁷ Longer term, automakers can cut their losses in half while consumers' losses increase to \$7.8 billion. These additional costs represent nearly a 10 percent increase in consumer spending on new vehicles, according to the U.S. Bureau of Economic Analysis. The Heritage Foundation's "most modest of estimates" calculates the consumer loss per new vehicle sale translates to over \$3,800.⁴⁸

The used car market does not go unscathed. Since CAFE standards increase the price of vehicles, consumers are incentivized to drive them longer than they otherwise would and postpone purchasing a new one. Used car supplies shrink, and their prices increase. Researchers find that a one-mpg increase in CAFE standards results in a \$164 increase in the average price of a large used car and a \$92 increase for a large used truck.⁴⁹ Lower-income households are disproportionately harmed because they rely more on the used car market.

CAFE may sound good in theory, but it costs automakers billions who pass on a significant portion of their losses to consumers. A regressive tax, the standards cost lower-income consumers a larger portion of their income.

⁴⁵ Mark Jacobson, "U.S. Fuel Economy Standards: Economics and Efficiency," Stanford University Energy Seminar, November 17, 2014, <https://perma.cc/J2VQ-SJFL>.

⁴⁶ Mark Jacobsen, "Evaluating US Fuel Economy Standards in a Model with Producer and Household Heterogeneity," *American Economic Journal: Economic Policy* 5, no. 2 (2013): 148–187.

⁴⁷ Thomas Klier and Joshua Linn, "New-Vehicle Characteristics and the Cost of the Corporate Average Fuel Economy Standard," *RAND Journal of Economics* 43, no. 1 (2012): 186–213.

⁴⁸ Salim Furth and David Kreutzer, "Fuel Economy Standards Are a Costly Mistake," The Heritage Foundation, March 4, 2016, https://www.heritage.org/government-regulation/report/fuel-economy-standards-are-costly-mistake/#_ftn6.

⁴⁹ Mark Jacobsen and Aurthur van Benthem, "Vehicle Scrappage and Gasoline Policy," *American Economic Review* 105, no. 3 (2015): 1312–38.

CAFE was originally established as a national security measure to reduce America's dependence on foreign oil, not as a tool for combatting global warming. Not only is the U.S. relying increasingly less on foreign sources but according to NHTSA, the standards do very little to thwart rising global temperatures, achieving a meager reduction of 0.007°C to 0.018°C.⁵⁰ Changed circumstances and miniscule climate effects make the program's overall mission questionable.

The De Facto Electric Vehicle Mandate

In March 2024 EPA announced new standards to further reduce harmful air pollutant emissions from light-duty and medium-duty vehicles starting with model year 2027. Three months later NHTSA finalized rulings for CAFE: Passenger cars would need to achieve 66.4 mpg by 2032; trucks would need to achieve 54.4. The two sets of standards created the de facto electric vehicle mandate: To meet such high requirements, nearly two-thirds of new cars sold would need to be electric. In other words, automakers would have to make sure a significant portion of their fleets consisted of EVs.

The Trump administration has been working to roll these back. In May, the Senate voted to overturn California's waiver requiring EVs to comprise 68 percent of vehicles sold in the state by 2030 and 100 percent by 2035,⁵¹ the nearly two dozen other states that were allowed to follow suit also lose the capacity to mandate EVs. In July the EPA released a proposal to rescind the Obama-Era Endangerment Finding, which declares ghg emissions a threat to public health and subject to regulation under the Clean Air Act; it has been used to justify "regulations that paved the way for electric vehicle mandates."⁵²

If these rules do not get reversed, the expense for American consumers will be profound. Some damage has already been done.

The outward cost differences between internal combustion engines (ICE) and EV ownership are readily apparent. According to current Kelly Blue Book figures, the average MSRP of a new EV is \$55,689 whereas the average MSRP of a new ICE vehicle is \$48,800.⁵³ Several other expenses are higher as well.

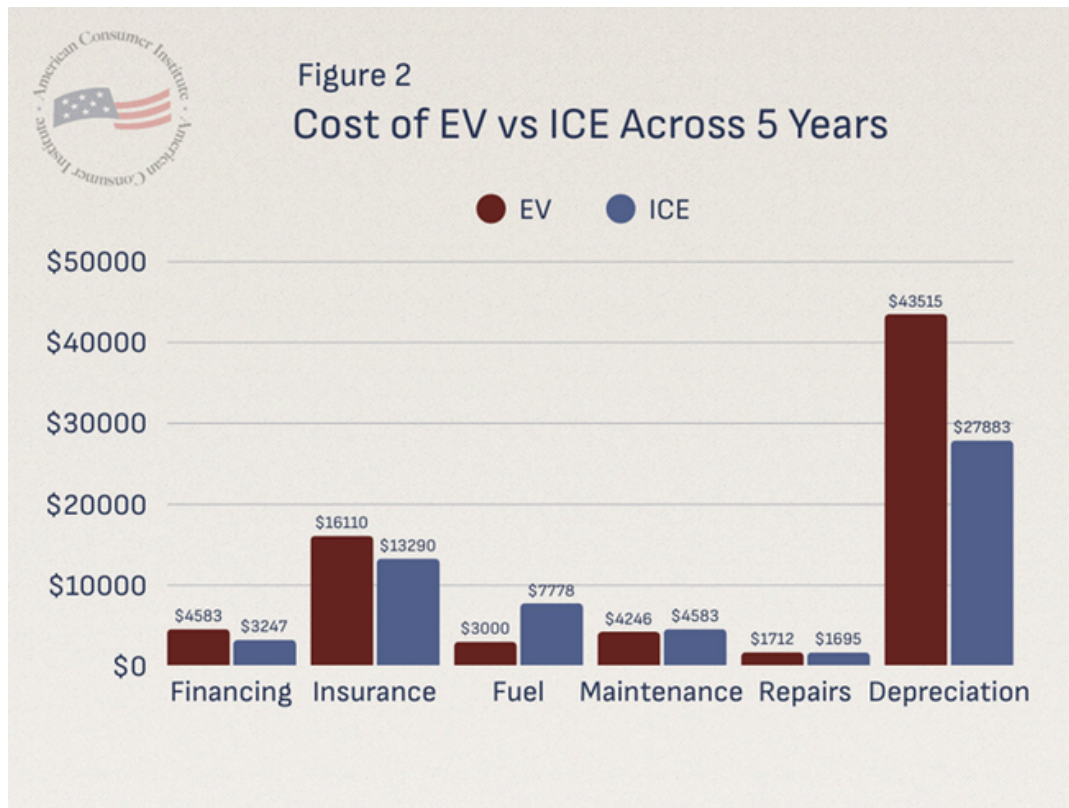
⁵⁰ U.S. National Highway Traffic Safety Administration, "NHTSA and EPA Establish New National Program to Improve Fuel Economy and Reduce Greenhouse Gas Emissions for Passenger Cars and Light Trucks," accessed August 25, 2025, https://www.nhtsa.gov/sites/nhtsa.gov/files/cafe-ghg_fact_sheet.pdf.

⁵¹ U.S. Environmental Protection Agency, "EPA Hails Congressional Disapproval of Biden EPA's California EV Mandate Rule," News Release, May 22, 2025.

⁵² U.S. Environmental Protection Agency, "EPA Releases Proposal to Rescind Obama-Era Endangerment Finding, Regulations that Paved the Way for Electric Vehicle Mandates," News Release, July 29, 2025.

⁵³ Renee Valdes, "How Much are Electric Cars?" Kelly Blue Book, August 15, 2025, <https://www.kbb.com/car-advice/how-much-electric-car-cost/>.

Figure 2 compares average costs for typical expenses associated with owning either type of vehicle across five years.⁵⁴ Aside from fuel, EVs are generally more expensive to buy and maintain. EVs cost \$14,690 more than ICE vehicles.



EV advocates tout fuel savings, but even with relatively high gasoline prices, electricity rates vary greatly from state to state, among charge types, and between public versus home charging. The two most expensive states—Hawaii and California—average 41 and 35 cents per kilowatt hour (kwh) for residential electricity, respectively.⁵⁵ After installing a home charger for \$2,000, charging will run approximately \$30 and \$25; public charging stations in both states, at 60 cents per kwh, could cost closer to \$50 per charge.

⁵⁴ Figures taken from following sources: a) Insurance: Penny Gusner, "Average Cost Of Car Insurance 2025," Forbes, August 12, 2025; b) Fuel: Keith Barry, "Find an Efficient Vehicle That's Right for You," Consumer Reports, May 23, 2025; c) Depreciation, Financing, Maintenance, and Repairs: Catherine York, "Beyond the Sticker Price: The Cost of Ownership of EVs v. ICE Vehicles," National Automobile Dealers Association, March 1, 2023.

⁵⁵ Nick Kurczewski, "How Much Does it Cost to Charge an Electric Car?" Kelly Blue Book, July 25, 2025, <https://www.kbb.com/car-advice/how-much-does-it-cost-to-charge-an-ev/>.

Other not-so-obvious costs of EV ownership are “hidden through a web of subsidies, rebates, and credits . . . ultimately borne by taxpayers, ICEV buyers, and utility ratepayers.”⁵⁶ The American Energy Institute’s recently published report reveals the unseen price tag embedded within the complex EV apparatus with the subsequent findings.

The 2021 Bipartisan Infrastructure Law and the Inflation Reduction Act (IRA) of 2022 extended billions in tax credits for charging stations, EVs, and EV supply chain industries. The IRA alone was slated to cost \$370 billion, but upon further analysis, estimates came closer to \$1.2 Trillion over 10 years.⁵⁷ Other researchers project a \$4.7 trillion price tag by 2050 because some tax credits will remain in perpetuity beyond the supposed expiration date.⁵⁸ Individual states have also instituted regulations, subsidies, and tax credits to push EV adoption, adding to the overall government costs.

Regulators have forced the hand of ICE manufacturers to purchase credits from EV manufacturers (who have met or superseded CAFE and EPA standards), pay fines, or build their own EV production line to demonstrate compliance. ICE customers pay more for their vehicles to cover the penalties incurred by manufacturers. Ford, for example, raised prices on their 2024 F150 trucks by \$1,200 – \$10,200 to absorb the \$3 billion loss from their EV line.⁵⁹

Public utilities offer rebates for EV adoption and in-home chargers. Private and public charging infrastructure requires significant upgrades to the power distribution systems to accommodate the new load and are therefore eligible for seeking higher utility rates. Base-rates are rising nationwide: State utility commissions approved nearly \$7 billion in base rate increases in 2021, \$5.3 billion in 2022, and a record \$9.7 billion in 2023.⁶⁰

The American Energy Institute study estimates that over a 10-year time frame, each 2023 EV will cost society between \$94,000 and \$152,000 in hidden subsidies.⁶¹ These figures represent the costs automakers accrue to meet government mandates and the losses they bear from forced EV production.

The bottom line: EVs are generally more expensive than ICE vehicles; compelling consumers to purchase an EV through government fiat will not only strain household budgets but force many out of the new car market altogether.

⁵⁶ Jason Isaac, Brent Bennett, and Trevor Lewis, “Behind the Wheel: The Hidden Hands Driving the EV Mandate,” American energy Institute, March 2025, <https://americanenergyinstitute.com/docs/2025-03-EV-Mandate-Isaac-Bennett-Lewis.pdf>.

⁵⁷ Louis Casiano, “Inflation Reduction Act to cost US \$1.2 trillion, Goldman Sachs says,” Fox Business, March 24, 2023, <https://www.foxbusiness.com/energy/inflation-reduction-act-cost-us-1-2-trillion-goldman-sachs-says>.

⁵⁸ Travis Fisher and Joshua Loucks, “The Budgetary Cost of the Inflation Reduction Act’s Energy Subsidies,” Cato Institute, March 11, 2025, <https://www.cato.org/policy-analysis/budgetary-cost-inflation-reduction-acts-energy-subsidies>.

⁵⁹ Isaac, Bennett, and Lewis, “Behind the Wheel,” 2025.

⁶⁰ U.S. Energy Information Administration, “Trend Toward Electric Utility Rate Increases in Regulated Markets Continues in 2024,” September 9, 2024, <https://www.eia.gov/todayinenergy/detail.php?id=63024>.

⁶¹ Isaac, Bennett, and Lewis, “Behind the Wheel,” 2025.

Taxpayers, ratepayers, and ICE vehicle purchasers are subsidizing the costs of an EV mandate decreed by elected and unelected bureaucrats. The gas-powered community is funding the EV industry. The mandate is perhaps the largest and costliest government intervention the automotive industry and driving public have seen, especially for a populace whose majority does not want to own one.⁶²

Discussion

The Expenses Add Up; Are They Warranted?

Consumers are paying significantly more for personal transportation due to government interventions and statutes. Some are intentional, meaning taxes and fees are levied on car owners by local, state, and national bureaucracies; others occur because of actions taken by those very entities.

Table 3 illustrates most of the extraneous costs incurred by a car buyer within the first year of owning a new vehicle with MSRP of 48,000.⁶³ While not exhaustive, the most prevalent costs are shown.

Each figure could be higher or lower depending on several variables. Every driver's experience is unique and many of the costs will depend on zip code, the manufacturer, type of car, and driving habits. Of course, not everyone will spend \$48,000 on a car. Some will spend more, some less.

Table 3

Expense	Cost
CAFE	\$3,800.00
EV Mandate	\$1,200.00
Franchise Laws	\$2,750.00
RFS	\$146.70
Drilling Restrictions	\$97.80
Car Sales Tax	\$2,395.00
Registration	\$499.39
Gas Tax	\$249.39
Total	\$11,138.28



Those highlighted in blue are the result of public policies that resulted in a price increase on the vehicle or the fuel to power it; the red are charged directly to the consumer. Some expenses are built into the price of the car; others are incurred at the point of sale or within the first year of ownership.

⁶² Jeffrey Jones, "EV Ownership Ticks Up, but Fewer Nonowners Want to Buy One," Gallup News, April 8, 2024.

⁶³ The figures used are averages, many of which were calculated and accounted for previously. The EV mandate cost of \$1,200 uses the lowest amount the Ford F150 incurred to absorb their EV production costs (as referenced above). The franchise cost represents approximately 6% of what the MSRP would be without it. Sales tax uses the national average of 4.99%, and registration is the average of all 15 states noted above. Gasoline charges are based on 489 gallons of gas multiplied by the cost of each directive (RFS, average gas tax, drilling).

Eleven thousand dollars in extra expenses for owning and operating a vehicle is staggering. Even if half of these costs are spread out across multiple years through financing some or all of the car, the steep price tag should concern lawmakers.

Taxes and fees are usually procured to improve the roads and highways used by motorists. Money must be raised somehow, and each state determines where and how to allocate. User fees seem logical. But the extreme variations among states are puzzling.

How is it that New Mexico can manage with \$62 registration fees while Nebraska charges \$1,000, even though both states have the same population of roughly two million? How are five states able to not charge a sales tax while the other 45 levy anywhere from two to eight percent? Why do gas taxes widely differ across state lines?

Illinois, for instance, doubled its gas tax in 2019—from 19 cents to 38 cents—and built in automatic annual increases.⁶⁴ The state is closing in on California for having the highest gas tax in the nation.

Revenue collected from gas taxes, licensing fees, and tolls are at record highs; yet their roads are getting worse. Illinois politicians are accused of having “prioritized pork projects and ribbon-cutting photo-ops” instead of “improving existing infrastructure based on merit and public need.”⁶⁵ Inefficient spending is costing taxpayers.

California’s highway system is also in dire straits. Despite high taxes and exploding population growth spanning several decades, state leadership acknowledges 70 percent of their roads to be in poor or mediocre condition.⁶⁶ Where is the money going? The high-speed rail project, which receives funds from the Cap-and-Trade Program, is wildly over budget and over schedule. The Department of Transportation pulled its federal funds, declaring “mismanagement and incompetence” by those in charge.⁶⁷

⁶⁴ Dylan Sharkey, “Illinois Gas Taxes Rising in July, but State Leaders Still Want More,” Illinois Policy, April 24, 2025, <https://www.illinoispolicy.org/illinois-gas-taxes-rising-in-july-but-state-leaders-still-want-more/>.

⁶⁵ Ravi Mishra, “Illinois Spent More on Transportation, Saw More Roads Crumble,” Illinois Policy, April 22, 2025, <https://www.illinoispolicy.org/tier-2-isnt-broken-for-illinois-career-workers-expanding-choice-secures-benefits/>.

⁶⁶ Victor Davis Hanson, “California is Leading from Behind,” Marin Independent Journal, August 22, 2018, <https://www.marinij.com/2015/12/30/victor-davis-hanson-california-is-leading-from-behind-2/>.

More troublesome are states that divert highway funds—generated through the taxation of motorized vehicles for the distinct purpose of maintaining and improving related infrastructure—to other projects. Half the states siphon revenue raised from gas taxes, tolls, and registration fees.⁶⁸ Northeastern states are especially problematic: New York, Rhode Island, New Jersey, and Maryland are the worst offenders with siphoning 37.5, 37, 34, and 32.5 percent respectively. Motorists (both residents and nonresidents) are being unfairly charged user fees to help fund completely unrelated state programs rather than much-needed transportation updates. Yet roads remain in disrepair.

State governors and legislatures need to scrutinize the level of taxes and fees levied on constituents, where funds are being appropriated, and how efficiently those funds are being spent. Budgets need reevaluation. Owning a car is a necessity for most and should not be taxed at every turn. Families are being overburdened.

Fuel efficiency statutes are even more problematic. CAFE standards have become a weaponized mechanism to score political points, issue draconian regulations, and virtue signal efforts at tackling climate change. They are costing consumers thousands with very little benefit. Such heavy-handed government intervention should be re-examined.

We are already seeing the results of excessive rulemaking: EV inventories are piling up on lots. Early last year, nearly 5,000 car dealers asked the Biden administration to “hit the brakes” on an “unrealistic” EV mandate.⁶⁹ Forcing automakers to develop ideas or expedite their progress to meet nonexistent consumer demand distorts market realities and costs manufacturers more resources, which in turn costs consumers. EV mandates are also costing taxpayers trillions through rebates and credits. Upper-income households are the primary buyers, which means middle- and lower-class Americans are unfairly subsidizing the wealthy.⁷⁰

Imposing stringent standards that significantly inflate the price of car ownership is punishing consumers. Most of these costs do not outweigh any benefits the measures allegedly accomplish. They need to be reconsidered, and in most cases, repealed.

⁶⁷ U.S. Department of Transportation, “Trump’s Transportation Secretary Sean P. Duffy Pulls the Plug on \$4B for California High Speed Rail’s Train to Nowhere,” News Release, July 16, 2025.

⁶⁸ Feigenbaum and Hillman, “Tax Money States Divert Away from Roads,” 2020.

⁶⁹ Thanos Pappas, “Nearly 5,000 Dealers Urge Biden To Delay ‘Unrealistic’ EV Mandate In Second Letter,” Car Scoops, January 26, 2024, <https://www.carscoops.com/2024/01/over-4700-us-dealerships-urge-president-biden-to-rethink-ev-plan-in-second-letter/>.

⁷⁰ Jones, “EV Ownership,” 2024.

Conclusion

Cars are integral and essential components of American life, and in most cases, an absolute necessity. They are also one of the biggest expenses, regardless of how practical or extravagant the motorist chooses to be. Owning and operating a vehicle is becoming increasingly expensive in large part because of misguided public policies. The rising costs, taxes, and fees are burdening American households and squeezing budgets, pushing some out of the car market.

Rather than filling public coffers with more funds, elected officials need to find better ways to manage budgets, cut costs, and eliminate waste. Imposing additional fees on drivers has become a knee-jerk reaction when it ought to be a last resort. Public officials need to look for ways to reduce some of the steep taxes already assessed and more seriously consider how their actions affect consumers.

Americans do want a clean environment, but it should not come at the expense of affordability. The two can and should coexist. The U.S. has taken great strides and made significant progress at reducing emissions and cutting pollutants. Industries will continue to improve in these areas through innovation.

Not only should all EV mandates be repealed, but CAFE standards should be revisited, revised, and rolled back. Government handouts to automakers, car buyers, and utilities should cease. EVs have a future, but not a federally mandated one.

Gas-powered vehicles will be around for a long time, despite efforts to expunge them. Consumers shouldn't suffer steep and volatile gasoline prices at the hands of officials with political agendas and hyperbolic climate fears. Oil extraction, production, and refining are being done responsibly. Lawmakers need to foster a regulatory environment that promotes drilling, rather than restricts it, and keeps fuel affordable. Programs like RFS should be scaled back or scrapped, especially since its main purpose of expanding gasoline supply is no longer relevant.

Consumers, not government bureaucrats, should make decisions about the cars they drive. If consumers value saving money on gasoline, they will choose to purchase more fuel-efficient vehicles, and automakers will meet those demands without federal mandates. If consumers value other facets like size, engine, safety, or utility, government should not force automakers to ignore those preferences.

Manufacturers need the freedom to make the cars Americans want at prices they can afford and sell them to consumers in a way that is compatible to market trends and demands.

