



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 689

DATE: March 26, 2024

SPONSOR: Delegate Fraser-Hidalgo

ASSIGNED TO: Budget and Taxation Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable (Department of Environmental Protection)

Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate Program

This bill would repeal the State's electric vehicle (EV) excise tax credit and replace it with instant rebates on EV purchases.

These rebates would be administered through the creation of a new Electric Vehicle Rebate Program within the Motor Vehicle Administration (MVA). Participating dealers would provide rebates to EV buyers in the form of an equivalent reduction of the vehicle purchase price. Those dealers would then report information through a program website to request reimbursement from the State.

Shifting from a tax credit to a point-of-sale instant rebate is likely to be a more effective method of incentivizing EV purchases, assuming a sufficient program budget and dealer participation. We fully support this approach. We also offer two suggestions to further strengthen this bill.

First, the bill could require the program website to provide real-time information about the availability of rebates to the general public, in addition to dealers. Access to this information in advance may be valuable to individuals and businesses considering the purchase of an EV.

Second, the bill could allow qualifying individuals who purchase qualifying EVs but were unable to receive the instant rebate through a participating dealer to apply for an equivalent rebate through a separate process administered by MVA. There is precedent for this at the federal level, where individuals who are not able to access federal EV incentives at the point-of-sale are able to apply for them when filing their taxes.

We respectfully request that the Budget and Taxation Committee give HB 689 a favorable report.