



TO: The Honorable Guy Guzzone, Chair B&T  
FROM: Peter Kitzmiller and Mike Johansen  
DATE: March 25, 2024  
RE: Support HB689 with Amendments – EV Rebate

MADA represents 300 franchised New Car and Truck dealers in the State, with 20,000 direct jobs based in Maryland.

MADA supports HB689 with amendments. This bill will create an EV purchase rebate rather than an EV tax credit. This means the customer will receive the benefit of the rebate at the time of sale. This promotes EV car sales, reduces loan amounts, and is a true benefit to consumers. ***However, the bill contains procedures for administration of the rebate which are overly complicated and confusing.***

MADA requests the following changes to the bill:

1. The bill requires MVA to establish a process to ‘reimburse dealers’ – please make sure the language allows MVA to authorize dealers to deduct these amounts from the excise tax payments dealers regularly make to MVA
2. Reduce the \$3,000 rebate to \$1,500. Under the current program and under the current funding amount (\$8.25m annually), the \$3,000 tax credit ran out in February. By reducing the rebate amount, there is a better chance the program will last the entire year.
3. On page 6, strike lines 3 through 8. This is a reference to IRS information that is only required at the federal level related to income eligibility. This is not needed.
4. On page 5, in line 27, strike “AT LEAST A DAILY BASIS” and substitute “AN INTERVAL DETERMINED BY THE ADMINISTRATION”
5. On page 4, strike lines 24 through 27. These provisions limit the rebate to ‘one per individual’. A Dealer will not have knowledge of this limitation at time of sale – it cannot be enforced. And, it does not matter if anyone buys more than one EV and receives more than one rebate.
6. The bill makes clear that the total purchase price subject to the excise tax is not reduced by the rebate amount. This provision should also make clear that the total purchase price is not reduced by the amount of any federal rebate or tax credit applied at time of sale.
7. Finally, if the rebate funds are depleted prior to the end the first year, the MVA should provide purchaser’s who do not receive the rebate with a certificate allowing them to be at the front of the list in the following year. This was how the program worked a few years ago.

**MADA requests a favorable with amendments report.**