



**The Maryland Department of the Environment
Secretary Serena McIlwain**

House Bill 689

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

Position: Support
Committee: Budget and Taxation
Date: March 26, 2024
From: Jeremy D. Baker

The Maryland Department of the Environment (MDE or the Department) **SUPPORTS** HB 689 as amended. The bill would repeal the existing excise tax credit for purchasing an electric vehicle and replace it with a point-of-sale electric vehicle rebate program for fiscal years 2026 and 2027.

Bill Summary

Maryland currently offers an electric vehicle (EV) excise tax credit, administered through the Maryland Vehicle Administration (MVA), which is provided to the purchaser of a new, qualifying EV after the vehicle is purchased. The tax credit does not provide immediate financial assistance to an EV purchaser. Conversely, establishing a point-of-sale rebate program will lower the upfront cost of purchasing a new EV.

Position Rationale

The creation of a rebate program for the purchasing of EVs is one of the strategies identified in MDE's recently released "*Maryland's Climate Pollution Reduction Plan*" that would help increase the number of EVs operating on Maryland's roadways.

As amended, HB 689 would allow an EV buyer to obtain a point-of-sale rebate on the purchase of a more environmentally friendly vehicle. Along with other initiatives, this would enable the State to obtain its air quality and climate goals of lowering pollution from the transportation sector.

Accordingly, MDE asks for a **FAVORABLE** report for HB 689.