



# Maryland

## Energy Administration

**TO:** Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee  
**FROM:** MEA  
**SUBJECT:** HB 64 - Motor Vehicle Excise Tax - Tax Credit for Electric Vehicles - Eligibility  
**DATE:** February 1, 2024

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### **MEA Position: FAVORABLE**

This bill would make used zero-emission plug-in electric drive vehicles (EVs) eligible for the excise tax credit currently permitted for new vehicles of the same type. Offering state incentives for the purchase of used vehicles aligns with the state Climate Pollution Reduction Plan as well as a recommendation made by the Commission on Climate Change in their 2023 annual report.

Advancing opportunities for the purchase of less expensive, used EVs is an important equity measure as the state moves to advance decarbonization of the transportation sector. By opening the EV excise tax credit to used vehicles, those experiencing low to moderate incomes will have a more meaningful opportunity to purchase an EV and support the state's climate goals. This also mirrors what has been done on the federal level. Pre-owned electric or fuel cell electric vehicles purchased on or after January 1, 2023, may be eligible for a federal income tax credit equal to 30% percent of the sale price up to a maximum credit of \$4,000.

According to a 2018 Morgan State University survey, EV purchasers in Maryland were predominantly white, male, and affluent, and that the EV itself had served as a symbol of status. The survey results stated:

*EV owners are white (85 percent), male (75 percent), well educated, affluent (80 percent of them have a household income greater than \$100,000), older, urban/suburban oriented and environmentally conscious... “Environmental concerns” is the most important factor for purchasing and driving an EV; “price and status” is the second most important factor; “efficiency and performance” of the EV is the third most important. EV owners with lower household income (less than \$100,000) — the remaining 20 percent — are younger, exurban/rural oriented, and concerned about price and status of the EV.<sup>1</sup>*

MEA urges the committee to support greater equity for EV sales in Maryland, and to issue a **Favorable Report**.

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<sup>1</sup> [www.morgan.edu/news/overcoming-the-inequity-of-incentives-for-electric-vehicle-ownership](http://www.morgan.edu/news/overcoming-the-inequity-of-incentives-for-electric-vehicle-ownership)

For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly ([landon.fahrig@maryland.gov](mailto:landon.fahrig@maryland.gov), 410.931.1537).