

Thursday, February 1, 2024

TO: Marc Korman, Chair of the House Environment and Transportation Committee, and Committee Members

FROM: Cait Kerr, The Nature Conservancy, State Policy Manager; Mariana Rosales, The Nature Conservancy, Director of Climate

POSITION: Support HB 64 Motor Vehicle Excise Tax - Tax Credit for Electric Vehicles - Eligibility

The Nature Conservancy (TNC) supports HB 64 offered by Delegate Jazz Lewis. HB 64 will expand the state's electric vehicle tax credit eligibility to include used vehicles. The Maryland Commission on Climate Change's Mitigation Working Group has recommended including used vehicles in electric vehicle (EV) purchasing incentive programs. HB 64 represents a key step not only in reducing greenhouse gas emissions statewide, but also in enhancing equitable access to EVs and state EV purchasing incentives.

As a member of the Mitigation Working Group and the Zero Emissions Vehicles Sub Group, TNC provided funding for a study to examine and design program recommendations for accelerating light-duty zero emission vehicle adoption in Maryland. In its findings, this study recognized the importance of extending purchasing incentives, including tax credits, to used EVs. Washington state, New Jersey, and Maine offer purchasing incentives for used EVs. Both Washington state and New Jersey offer sales tax exemptions for used EVs. The federal government also offers a Federal Clean Vehicle Credit for both new and used EV purchases; combining financing, sales tax exemption, federal tax credit, and sufficient state incentives can address financial barriers to EV purchasing and target affordability.

Expanding the EV tax credit to include used EVs will provide Marylanders with limited financial resources, or other motivations for purchasing a used vehicle, with greater access to clean and affordable transportation. Direct benefits for purchasers include lower operating costs and reduced exposure to emissions. Used EV markets will continue to grow and new vehicles, EV or otherwise, are frequently unaffordable for a large portion of Maryland households. HB 64 aims to increase access to affordable and healthy mobility for car-dependent households and to ensure more equitable EV distribution.

TNC commends Delegate Jazz Lewis on introducing this bill, which increases accessibility and equity for Maryland's EV purchasing incentives.

Therefore, we urge a favorable report on HB 64.