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Committee: Environment and Transportation

Testimony on: HB0064 and “Motor Vehicle Excise Tax – Tax Credit for Electric Vehicles - Eligibility”

Position: Support

Hearing Date: February 1, 2024

The Maryland Chapter of the Sierra Club supports HB 64. This bill extends the current tax credit offered to new purchasers of EVs to purchasers of used EVs. The transportation sector accounted for 35% of Maryland’s GHG emissions in 2020 with most emissions (82%) in this sector coming from on-road vehicles powered by gasoline or diesel. Therefore, it is imperative that we fund programs to encourage residents to transition toward utilizing clean modes of transportation.

The sale of new EVs is steadily climbing as supply and demand increase. Incentive programs of the federal government and Maryland contribute to this growth by encouraging residents to purchase EVs. Used EVs are now entering the market as vehicle leases expire and rental car fleets are upgraded. This provides the opportunity for buyers who cannot afford the cost of a new EV to purchase a used EV. The sale of used EVs increases the number of lower-income buyers, and they are more likely to live in communities that experience higher air pollution. Providing buyers of used EVs access to the same incentive as purchasers of new EVs is a matter of equity. We encourage the committee to also explore changing the program to offer point-of-sale rebates instead of a tax credit. Rebates are a better incentive, especially for lower-income buyers, because they reduce the purchase price up front.

This bill makes an important contribution in encouraging and supporting Maryland residents with all levels of resources who want to move away from using gasoline-powered cars for their transportation needs.

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