



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB64– Motor Vehicle Excise Tax - Tax Credit for Electric Vehicles - Eligibility

Thank you, Chair Korman, Vice Chair Boyce, and members of the Environment and Transportation Committee for this opportunity to testify in favor of my legislation.

I am here today to present my legislation, HB64 which would extend the state's current tax credit for purchases of new electric vehicles to also include used vehicle purchases. This bill will incentivize greater adoption of EVs while broadening the base of people who are able to afford these cars, ultimately accelerating our transition to cleaner vehicles on the road.

This legislation will help us in the ongoing work of tackling climate change and reducing greenhouse gas emissions. Reducing the number of fossil fuel vehicles on the road is a crucial and necessary step towards meeting our greenhouse emission goal, as transportation remains one of the largest sources of pollution. With deployment of EV's, we could drastically cut those emissions that result from transit. Getting us closer to the ambitious climate goals we have set as a state.

But despite the importance of greater EV adoption, we are seeing a concerning trend that shows the deployment of EVs is actually slowing down.¹ That is due to a number of factors, from concerns with the range of these vehicles to the infrastructure to support EV charging. But it also has to do with costs. Many of the people who we need to replace their fossil-fueled cars with an electric vehicle simply cannot afford the costs of EVs. Though the costs are coming down as the technology becomes cheaper to produce. These vehicles remain at a premium compared to their gas-powered alternative. A premium that keeps them out of reach for many working and middle-class families. Vehicle purchasers that may be less motivated by climate concerns than those initial adopters of electric vehicles and are more concerned about the sticker price that they see at the dealership. That high price is a huge barrier for those who are open to transitioning to electric vehicles, and who we need to motivate to make that leap so that we can accelerate the mass adoption of these EVs.

This bill sets out to overcome that cost barrier by expanding the incentives we have in place to the used market. Most vehicle purchases are made in the used market.² That is

¹ <https://jalopnik.com/america-ev-adoption-stalls-over-high-cost-and-low-range-1850976212>

²

<https://www.statista.com/statistics/183713/value-of-us-passenger-cas-sales-and-leases-since-1990/#:~:te xt=Sales%20of%20used%20light%20vehicles,and%20automobiles%20were%20sold%20here.>

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because this market is where cars are more affordable to Marylanders. Expanding the tax credit we offer for new EVs will expand the benefits of adopting electric vehicles to those who cannot afford to buy a new car, let alone a new electric car. Ultimately, this will encourage EV adoption to those on a budget and simply trying to find the most affordable option for them and their families. These are the Marylanders we should be looking at to accelerate our transition to greener vehicles.

This bill will allow us to further encourage the adoption of electric vehicles across Maryland and put them within reach of more drivers who will help us get more fossil-fueled vehicles off the road and get us within reach of the emissions goals we have set for ourselves as a state.

For these reasons, I urge a favorable report.