

# **HB 216 EV Point of Sale Testimony (DFH, 2025).pdf**

Uploaded by: David Fraser-Hidalgo

Position: FAV



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Delegate Marc A. Korman  
Chairman, House Environment and Transportation Committee  
House Office Building – Room 251  
Annapolis, MD 21401

Mr. Chairman,

I am writing in favor of HB 216 – Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate Program.

Maryland's current electric vehicle excise tax program provides a one-time credit of up to \$3,000 when purchasing a qualifying zero-emission vehicle or fuel cell electric vehicle. The program runs on a first-come, first served basis, requiring individuals to manually submit their application to the Motor Vehicle Administration.<sup>1</sup> After the program funds have been depleted, EV owners must wait until the following fiscal year to be compensated, resulting in longer processing times and less incentive to apply. The MD tax credit fund for fiscal year 2025 has already been spent.<sup>2</sup>

HB 216 repeals the excise tax credit and instead establishes the Electric Vehicle Rebate Program. This would place Maryland in a similar posture to the new federal standards. As of January 1, 2024, the Inflation Reduction Act expanded its regulations to permit car dealers to give buyers their EV tax break at the point-of-sale.<sup>3</sup> Similarly, HB 216 would require participating car dealers to provide a rebate to an eligible buyer at the time of purchase and the MVA to reimburse the dealer for the rebates provided. As opposed to having to apply for a benefit exchange, car buyers will be able to receive the benefit at the time of purchase.

Pennsylvania's Alternative Fuel Rebate offers up to \$2,000 in rebates to assist eligible residents with paying the upfront cost of purchasing an EV.<sup>4</sup> Comparably, California adopted the Clean Fuel Reward Program in 2020, providing an instant price reduction of up to \$750 at the

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<sup>1</sup> "Titling - Excise Tax Credit for Plug-in Electric Vehicles," Maryland Department of Transportation Motor Vehicle Administration, n.d., <https://mva.maryland.gov/vehicles/Pages/27300-71T.aspx>.

<sup>2</sup> *Id.*, at 1

<sup>3</sup> Greg Iacurci, "Why the \$7,500 Electric Vehicle Tax Credit May Be Easier - and Harder - to Get in 2024," CNBC, December 28, 2023, <https://www.cnbc.com/2023/12/28/7500-ev-tax-credit-may-be-easier-and-harder-to-get-in-2024.html>.

<sup>4</sup> "Alternative Fuel Vehicle (AFV) Rebate," Alternative Fuels Data Center, n.d., <https://afdc.energy.gov/laws/5812>.

point-of-sale for eligible new plug-in electric vehicles at participating retailers.<sup>5</sup> The Delaware Clean Vehicle Rebate Program dispenses a cash rebate for the purchase of a plug-in hybrid or battery electric vehicle.<sup>6</sup>

Reducing the point-of-sale purchase price of an EV is more enticing than providing a tax credit far after the purchase of the vehicle.<sup>7</sup> A recent study from George Washington University found that car buyers overwhelmingly prefer an immediate rebate as opposed to an alternative incentive such as a tax credit. For the same subsidy amount, buyers valued the rebate by \$1,450 more than a tax credit and this valuation was nearly double the amount for lower income households and buyers with lower budgets.<sup>8</sup> When incentives are not provided at the point-of-sale, the customer must have the financial ability to pay for the vehicle and then wait to receive the credit. Through this bill, lower income families would be more likely to purchase electric vehicles as the rebates would help offset the cost of the purchase.

Governor Moore has made it a top priority to improve air quality and combat the effects of climate change. With the adoption of the Advanced Clean Cars II rule, all new passenger vehicles sold in Maryland will have to be zero emissions by 2035.<sup>9</sup> In order to achieve this, purchasing an electric vehicle must be made more affordable to Marylanders. While this bill was passed in the House last year, it fell just short of passing in the Senate.

This bill makes the transition to EVs far more accessible since participating dealers would provide rebates to eligible buyers at the time of purchase. While Maryland has transitioned to over 102,000 registered electric vehicles, we are still far from achieving our clean energy goals.<sup>10</sup> In order to phase out internal combustion engines in the next decade, programs must be implemented to make environmental justice more affordable and attainable. By providing rebates

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<sup>5</sup> “California Clean Fuel Reward Surpasses 250,000 Point-of-Sale Financial Incentives for EV Buyers,” California Air Resources Board, May 9, 2022,

<https://ww2.arb.ca.gov/news/california-clean-fuel-reward-surpasses-250000-point-sale-financial-incentives-ev-buyers>.

<sup>6</sup> *The Delaware Clean Vehicle Rebate program*. DNREC. (2024, August 29).,

<https://dnrec.delaware.gov/climate-coastal-energy/clean-transportation/vehicle-rebates/>

<sup>7</sup> Zifei Yang et al., “Principles for Effective Electric Vehicle Incentive Design,” International Council on Clean Transportation, n.d., [https://theicct.org/sites/default/files/publications/ICCT\\_IZEV-incentives-comp\\_201606.pdf](https://theicct.org/sites/default/files/publications/ICCT_IZEV-incentives-comp_201606.pdf)

<sup>8</sup> “Electric Vehicle Buyers Want Rebates, Not Tax Credits,” Media Relations: The George Washington University, July 7, 2022, <https://mediarelations.gwu.edu/electric-vehicle-buyers-want-rebates-not-tax-credits>.

<sup>9</sup> *Governor Moore announces Maryland adoption of the Advanced Clean Cars II rule to combat the effects of climate change*. Press Releases - News - Office of Governor Wes Moore. (2023, March 13).

<https://governor.maryland.gov/news/press/pages/governor-moore-announces-maryland-adoption-of-the-advanced-clean-cars-ii-rule-to-combat-the-effects-of-climate-change.aspx>

<sup>10</sup> *Electric vehicle registrations pass record-breaking 100,000 mark in Maryland - MDOT*. Maryland Department of Transportation (MDOT). (2024, May 6).,

[https://mdot.maryland.gov/tso/pages/newsroomdetails.aspx?newsId=779&PageId=38&link\\_id=4&can\\_id=6ccb32d9cbce8c028a4a38e1e3e5adc2&source=email-welcome-back-to-school-and-happy-hispanic-heritage-month-3&email\\_referrer=&email\\_subject=the-general-assemblys-447th-legislative-session-is-underway](https://mdot.maryland.gov/tso/pages/newsroomdetails.aspx?newsId=779&PageId=38&link_id=4&can_id=6ccb32d9cbce8c028a4a38e1e3e5adc2&source=email-welcome-back-to-school-and-happy-hispanic-heritage-month-3&email_referrer=&email_subject=the-general-assemblys-447th-legislative-session-is-underway)

at the point-of-sale for electric vehicles, Maryland would be able to reduce greenhouse gas emissions while addressing economic concerns for potential EV buyers.

Respectfully,

A handwritten signature in black ink, appearing to read "David Fraser-Hidalgo", with a stylized flourish at the end.

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Delegate David Fraser-Hidalgo

# **HB 216 - MoCo DEP - Fitzgerald\_FAV (GA 25).pdf**

Uploaded by: Garrett Fitzgerald

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

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**HB 216**

**DATE: February 6, 2025**

**SPONSOR: Delegate Fraser-Hidalgo**

**ASSIGNED TO: Environment and Transportation Committee**

**CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)**

**POSITION: Favorable (Department of Environmental Protection)**

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

This bill would repeal the State's electric vehicle (EV) excise tax credit and replace it with instant rebates on EV purchases.

These rebates would be administered through the creation of a new Electric Vehicle Rebate Program within the Motor Vehicle Administration (MVA). Participating dealers would provide rebates to EV buyers in the form of an equivalent reduction of the vehicle purchase price. Those dealers would then report information through a program website to request reimbursement from the State.

Shifting from a tax credit to a point-of-sale instant rebate is likely to be a more effective method of incentivizing EV purchases, assuming a sufficient program budget and dealer participation. We fully support this approach. We also offer two suggestions to further strengthen this bill.

First, the bill could require the program website to provide real-time information about the availability of rebates to the general public, in addition to dealers. Access to this information in advance may be valuable to individuals and businesses considering the purchase of an EV.

Second, the bill could allow individuals who purchase qualifying EVs but were unable to receive the instant rebate through a participating dealer to apply for an equivalent rebate through a separate process administered by MVA. There is precedent for this at the federal level, where individuals who are not able to access federal EV incentives at the point-of-sale are able to apply for them when filing their taxes.

We respectfully request that the Environment and Transportation Committee give HB 216 a favorable report.

# **MDE HB216 SUP.pdf**

Uploaded by: Jeremy D. Baker

Position: FAV



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

***House Bill 216***

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

**Position:** Support

**Committee:** Environment and Transportation

**Date:** February 6, 2025

**From:** Jeremy D. Baker, Director of Government Relations

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The Maryland Department of the Environment (MDE) **SUPPORTS** HB 216.

**Bill Summary**

House Bill 216 would repeal the current electric drive vehicle excise tax credit program and replace it with a point of sale rebate for fiscal year 2027. This rebate program would apply to purchasers of a zero-emission plug-in electric drive vehicle or fuel cell electric vehicle regardless of whether the vehicle is a car or truck, two-wheeled motorcycle or a three-wheeled or autocycle. Rebates range from \$1,000 to \$3,000 amounts depending on the vehicle type purchase.

**Position Rationale**

Maryland currently offers an electric vehicle (EV) excise tax credit, administered through the Maryland Vehicle Administration (MVA) that is provided to the purchaser of a new, qualifying EV after the vehicle is purchased. However, the tax credit does not provide immediate financial assistance to an EV purchaser. HB 216 would allow a purchaser of a zero-emission plug-in electric drive vehicle or fuel cell electric vehicle to obtain a point-of-sale rebate from a qualifying dealer in fiscal year 2027. Establishing a point-of-sale rebate program will lower the upfront cost of purchasing a new EV. The creation of a rebate program for the purchasing of EVs is a strategy identified in MDE's 2023 "*Maryland's Climate Pollution Reduction Plan*" that would help increase the number of EVs operating on Maryland's roadways.

Accordingly, MDE urges a **FAVORABLE** report for HB 216.



# **HB0216 - FAV - Electric Vehicles - Repeal of Excis**

Uploaded by: Landon Fahrig

Position: FAV



# Maryland

## Energy Administration

**TO:** Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee

**FROM:** MEA

**SUBJECT:** HB 216 - Electric Vehicles - Repeal of Excise Tax Credit and Establishment of Rebate Program

**DATE:** February 6, 2025

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### **MEA Position: FAVORABLE**

This bill would convert the state's excise tax credit for EVs to be a rebate program.

Maryland has set ambitious climate and electric vehicle (EV) goals, and financial incentives play an important role in the continued adoption of EVs. Research from the George Washington University found, however, that a tax credit was least valued by car buyers. The study also found that time-delayed incentives like tax credits favor more affluent purchasers, and immediate incentives such as direct rebates were strongly preferred by both used car buyers and those experiencing lower incomes. Modifying the state incentive to be a rebate is also consistent with Maryland's Climate Pollution Reduction Plan and the recommendations of the Maryland Commission on Climate Change.

Rebates offer several benefits over tax credits, not the least of which is that an EV buyer need not have a tax liability to take full advantage of a rebate. Tax credits are typically non-refundable, meaning that a purchaser must have a tax liability at least equal to the credit in order to gain the maximum benefit. Those with lower incomes and therefore lower tax burdens may not be able to realize the full benefit of a rebate. Additionally, the benefit of rebates is fully realized at the point of sale. This reduces the immediate cost of the vehicle and any amount of the purchase price that must be financed.

Though it would only affect the single remaining year of the program, transitioning Maryland to a point-of-sale model would help support its environmental and EV goals, while providing enhanced equity for consumers. For the foregoing reasons, MEA urges the committee to issue a **favorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly ([landon.fahrig@maryland.gov](mailto:landon.fahrig@maryland.gov), 410.931.1537).

**czajka\_hb216\_020425.pdf**

Uploaded by: Mark Czajka

Position: FAV

## Subject: HB 216 – SUPPORT

February 4, 2025

Environment and Transportation Committee  
Room 251  
House Office Building  
Annapolis, Maryland 21401

Dear Honorable Chair Marc Korman and Members of the Committee:

My name is Mark Czajka and I'm a resident of Charles County and the Director of MD Volt Inc., a Maryland EV club. I **SUPPORT** House Bill 216 (Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate Program). These are my personal views on HB 216:

- The federal credit is now a point-of-sale rebate for new and used vehicles, so Maryland's should be the same to make the purchase process easier for buyers.
- This could potentially boost sales of EVs to meet state goals.

If you have any questions, please feel free to contact me at [mark@mdvolt.org](mailto:mark@mdvolt.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Czajka", with a stylized flourish at the end.

Mark Czajka  
Waldorf, MD 20603

## **HB216, Verchinski Support.pdf**

Uploaded by: Paul Verchinski

Position: FAV

Testimony to the House Environment and Transportation Committee  
HB 216 Electric Vehicles - Repeal of Excise Tax Credit and Establishment of Rebate Program  
**Position: Favorable**

6 February 2025

The Honorable Marc Korman, Chair  
Room 251, Taylor House Office Building  
Annapolis, MD 21401

Honorable Chair Korman and Members of the House Environment and Transportation Committee:

This is why I support HB 216.

Currently, when you buy a qualifying EV, you can get a [credit from the state](#), for up to \$3000. It usually uses up the available funds within a month or two, but it's there. To get the credit, you fill out a [VR-334](#), and if the funds haven't run out, you see a check from Maryland in a matter of months. HB 216 will modify the credit into a point-of-sale rebate that the buyer can use when they buy the car, thus avoiding the months long wait. Pluses are that the buyer can combine the Maryland credit with the federal credit (still alive for now), and make buying a new EV that much more possible, and that the buyer knows up front if the funds are there. No more "Well, it ran out last year, but you can try". Minuses are that it will use up the funds faster. The amount funding the credit remains at \$8.25M annually.

This legislation will be effective on July 1, 2026 which should provide enough time for auto dealers and the State to effectively set up the rebate mechanism.

Paul Verchinski, ZEEVIC member representing the Public  
5475 Sleeping Dog Lane  
Columbia, MD 21045

# **Incentives HB 216 FAV.pdf**

Uploaded by: Scott Wilson

Position: FAV

Testimony to the House Environment and Transportation Committee  
HB 216 Electric Vehicles - Repeal of Excise Tax Credit and Establishment of Rebate Program

**Position: Favorable**

6 February 2025

The Honorable Marc Korman, Chair  
Room 251, Taylor House Office Building, Annapolis, MD 21401

Honorable Chair Korman and Members of the House Environment and Transportation Committee:

My name is Scott Wilson, and I currently drive a 2017 Chevy Bolt EV and a 2013 Nissan Leaf. I serve on the Maryland Zero Emission Electric Vehicle Infrastructure Council, and I'm also Vice President of the Electric Vehicle Association of Greater Washington DC. I recommend the passage of HB 216 for the following reasons.

This legislation has been needed for a long time. EV incentives in Maryland have always relied on an awkward mechanism of getting a payment from the state for an amount reimbursing a large part of the 6% excise paid at the time of purchase. Fortunately, the current federal EV incentives are now point-of-sale rebates, thus the buyer can take immediate advantage of them when negotiating an EV purchase. How wonderful it would be if the buyer could combine *both* federal *and* state incentives into the point-of-sale rebate. Doing so would open up what I call the "EV Opportunity" to many, many more Marylanders. If the current federal incentive is abolished, it will be even more vital to preserve the Maryland incentive, in some form.

The dealer reporting requirements would not be burdensome, since they would mirror what dealers are already doing at the time of purchase, namely logging EV purchases into an IRS database, which issues rebates within 48 hours. The Comptroller could either create its own database, or possibly pull data directly from the IRS database.

Please give favorable consideration to HB 216.

Thank you for your time,

Scott Wilson



# **HB 216 Electric Vehicles - Repeal of Excise Tax Cr**

Uploaded by: Cait Kerr

Position: FWA

**Thursday, February 6, 2025**

**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 with Amendments HB 216 Electric Vehicles - Repeal of Excise Tax Credit and Establishment of Rebate Program

The Nature Conservancy (TNC) supports with amendments HB 216 offered by Delegate Fraser-Hidalgo. HB 216 seeks to replace the state's electric vehicle (EV) excise tax credit program with a rebate program, thereby providing EV purchasing incentives at the point-of-sale. The Maryland Commission on Climate Change's Mitigation Working Group has recommended point-of-sale incentives as the best practice for motivating EV purchases. The Maryland Commission on Climate Change also included recommendations for point-of-sale rebates on EV purchases in the Commission's 2023 annual report.

Since 2024, the Federal Clean Vehicle Credit can be claimed as a point-of-sale rebate so that it can directly reduce the purchase price and benefit households with limited to no tax liability. A rebate program can work in tandem with a sales tax exemption as both apply at the point-of-sale. Combining financing, sales tax exemption, federal tax credit, and sufficient state incentives can address financial barriers to EV purchasing and target affordability.

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 to used EVs. Washington state, New Jersey, and Maine offer purchasing incentives for used EVs. The federal government also offers the Federal Clean Vehicle Credit for both new and used EV purchases. Expanding the EV rebate 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. Used EV markets will continue to grow and new vehicles, EV or otherwise, are frequently unaffordable for a large portion of Maryland households. For these reasons, **TNC recommends amending HB 216 to include used EV purchases in the Electric Vehicle Rebate Program.**

TNC commends Delegate Fraser-Hidalgo on introducing this bill, and respectfully requests an amendment to include used EVs in the rebate program to further increase accessibility and equity for Maryland's EV purchasing incentives.

**Therefore, we urge a favorable with amendments report on HB 216.**

## **Ext. Comm. - Testimony - 2025 - Maryland HB 216 -**

Uploaded by: Joshua Fisher

Position: FWA



February 6, 2025

The Honorable Marc Korman  
Chair, House Environment and Transportation Committee  
251 Taylor House Office Building  
Annapolis, Maryland 21401

**HB 216: Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate Program**  
**Position: Favorable with Amendments**

Chair Korman:

The Alliance for Automotive Innovation<sup>1</sup> (Auto Innovators) appreciates the opportunity to provide the following comments on HB 216. More than 120 models of plug-in hybrid (PHEV), fully electric (BEV), and fuel cell electric vehicles (FCEV) are available now to consumers — and more are on the way. However, sales of electric vehicles (EVs) in Maryland are not growing at the rate needed to meet the requirements of the Advanced Clean Cars II (ACC II) rule which begins next year.

By 2030, the auto industry is expected to invest more than \$1.2 trillion globally in electrification, including \$129 billion that has been invested in the U.S. since 2020. This includes massive investments in critical mineral sourcing and processing, battery cell and pack production, EV research and development, certification, production, charging stations, and consumer education. In less than two years, the auto industry has significantly increased the number of electrified models, and EV options are available at a variety of price points to consumers in nearly every vehicle segment.

There is no question that the auto industry is committed to this transition. However, we cannot do it alone. The achievement of our shared objectives requires not only ongoing collaboration, but also a commitment from Maryland to sustained funding and the implementation of programs and policies that support this unprecedented transformation.

**EV Sales**

Through the first three quarters of 2024, 11.98% of light-duty vehicles sold in Maryland were EVs.<sup>2</sup> **To meet the regulatory obligations of ACC II in MY 2027, EV sales must more than triple over the year.** If EV sales do not increase between MY 2026 and MY 2027, the challenge in Maryland is further exacerbated in the following years: quadruple in MY 2028 (when more than half of new vehicle sales must be EVs) and quintuple in MY 2028 (when nearly two-thirds of new vehicle sales must be electric).

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<sup>1</sup> From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future.

[www.autosinnovate.org](http://www.autosinnovate.org).

<sup>2</sup> <https://www.autosinnovate.org/posts/papers-reports/get-connected-q2-2024>

Under current circumstances, Maryland is not on track for compliance with the ACC II requirements. It will take a miracle for Maryland to meet these EV sales requirements. Part of the problem we have seen in Maryland is that funding for this incentive continues to fall short each year which leaves Maryland consumers unsure if the state incentive will be available to them. **At a minimum, Maryland needs to provide financial support to purchase EVs as it takes away gas-powered and hybrid vehicle options from consumers.**

### **Suggested Amendments**

We support moving from an excise tax credit to a point-of-sale rebate which will provide consumers with money at the time of their purchase to lower the total cost of their new vehicle. Instead of the current price cap of \$50,000 for an eligible EV, we recommend removing the cap. Maryland cannot afford to pick and choose which EVs are eligible for a rebate.

As the Maryland Department of the Environment's 2023 Climate Pollution Reduction Plan<sup>3</sup> notes, "EVs are still priced above levels that are affordable for low and moderate income consumers, so state incentives in the near term will help accelerate the adoption of EVs."<sup>4</sup> The time for these incentives is now while Maryland struggles to increase its EV sales to a point that will make the ACC II requirements remotely achievable. Incentives must be available for all EV technologies, which are necessary to build a robust market for EVs and provide consumers with the maximum number of electric options. More models mean more consumer choice across all price points, with varied technologies that support the broadest array of customer needs and use cases.

**In its 2023 Annual Report<sup>5</sup>, the Maryland Commission on Climate Change proposed a Clean Vehicle Rebate Program with annual funding of \$300 million. The current annual appropriation of \$8.25 million is obviously not sufficient.**

Therefore, we recommend extending and fully funding the EV rebate so that consumers and new car dealers can be sure that the rebate is available.

We support fully the state of Maryland's efforts to promote EV adoption through funding for electric vehicle purchase and infrastructure incentives – actions necessary and critical to the state's environmental goals and increasing consumer interest in EVs. However, that requires an increased commitment from Maryland along with the policies to support consumers and businesses through this transition.

Thank you for your consideration of our position. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

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<sup>3</sup><https://mde.maryland.gov/programs/air/ClimateChange/Maryland%20Climate%20Reduction%20Plan/Maryland%27s%20Climate%20Pollution%20Reduction%20Plan%20-%20Final%20-%20Dec%2028%202023.pdf>

<sup>4</sup> <https://mde.maryland.gov/programs/air/ClimateChange/Pages/index.aspx>

<sup>5</sup><https://mde.maryland.gov/programs/air/ClimateChange/MCCC/Documents/MCCC%20Annual%20Report%202023/MCCC%20Annual%20Report%202023.pdf>

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Fisher". The signature is fluid and cursive, with a prominent loop at the end of the last name.

Josh Fisher  
Senior Director  
Alliance for Automotive Innovation.

## **HB216\_MTBMA\_UNFAV.pdf**

Uploaded by: Michael Sakata

Position: UNF



February 4, 2025

Delegate Marc Korman, Chair  
House Environment and Transportation Committee  
Room 251, House Office Building  
Annapolis, MD 21401

**RE: HB 216 – UNFAVORABLE – Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate Program**

Dear Chair Korman and Members of the Committee:

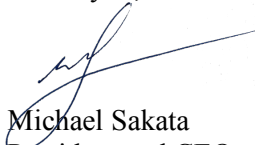
The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of Maryland's transportation construction and materials industry by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

HB 216 seeks to repeal the existing electric vehicle excise tax credit and establish the Electric Vehicle Rebate Program. The bill would provide rebates to eligible buyers of zero-emission plug-in electric drive vehicles, fuel cell electric vehicles, and certain electric motorcycles. The total purchase price of a vehicle would not be reduced by the amount of the rebate, and the program would be limited to available funding. The bill would also transfer funds from the Strategic Energy Investment Fund to the Transportation Trust Fund to offset the cost of the rebates.

While we appreciate that the rebates will not come out of the Transportation Trust Fund, MTBMA still opposes this legislation because it establishes a policy framework that prioritizes electric vehicles over gas-combustion vehicles, creating an imbalance in how transportation infrastructure is funded and maintained. While MTBMA acknowledges the importance of promoting sustainable transportation, it is critical to consider the practical implications of shifting incentives toward EVs without addressing their disproportionate impact on roads and bridges. Due to their significantly greater weight, EVs contribute to accelerated wear and tear on infrastructure, increasing the need for frequent maintenance and placing additional strain on the state’s transportation system. Furthermore, since EV owners do not contribute to fuel taxes, which serve as a primary funding source for road maintenance, this shift in incentives could exacerbate existing funding gaps. Encouraging sustainability is important, but it must be pursued in a way that ensures all road users contribute equitably to the costs of maintaining Maryland’s transportation infrastructure.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on House Bill 216.

Thank you,



Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association