

Oct. 24, 2018

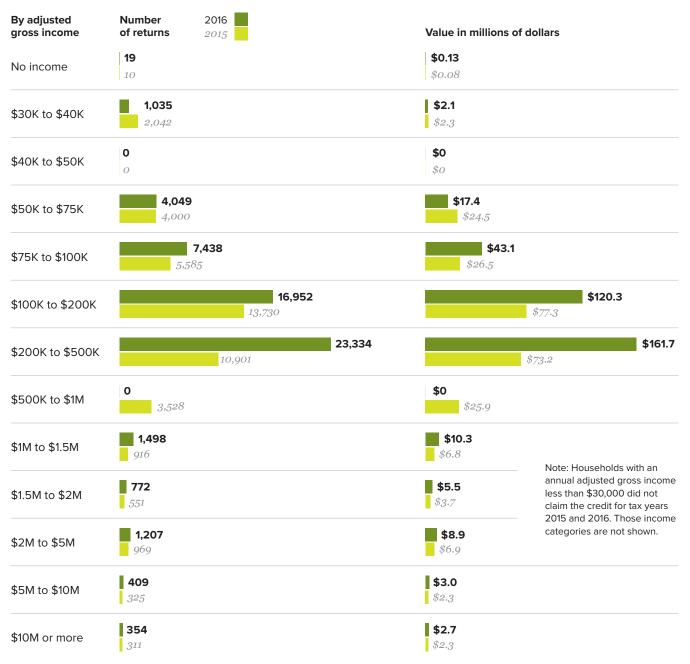
Republicans Try Again to Repeal EV Tax Credit

Congressional Republicans are making another attempt to kill the federal tax credit for electric vehicles, after it was left out of their November 2017 tax plan. More than 57,000 households claimed the non-refundable Qualified Plug-in Electric Drive Motor Vehicle Credit for tax year 2016, up from 42,868 in 2015. The total value of credits reached \$375.1 million for all claims in 2016 and \$251.6 million in 2015. The credit applies to eligible vehicles acquired after Dec. 31, 2009, at a minimum of \$2,500 and up to \$7,500 depending on the vehicle's battery capacity. The credit begins to phase out when each vehicle manufacturer reaches 200,000 in qualifying sales.

Sen. John Barrasso (R-Wyo.) would repeal the credit altogether and instead impose a federal highway user fee on all alternative-fuel vehicles that would be collected through drivers' tax returns and transferred into the Highway Trust Fund. A pair of bills introduced by Sen. Dean Heller (R-Nev.) and Rep. Diane Black (R-Tenn.) would elminate the 200,000 sales cap and begin to phase out the credit in 2022 for vehicles sold after Dec. 31, 2018.

Ideas to make the struggling Highway Trust Fund sustainable will take center stage when lawmakers start debating the next surface transportation bill. The last two bills have relied on a grab-bag of mostly unrelated budget offsets to pay for road and transit upgrades to make up for declining gas tax revenues.

Qualified plug-in electric vehicle credits claimed for tax years 2016 and 2015



Sources: IRS, POLITICO Pro Legislative Compass, POLITICO Pro staff reports

By Janie Boschma, POLITICO Pro DataPoint

Click here for more information about DataPoint, and your Account Manager will follow up shortly.