



Tax Credits Expand Adoption of Electric Vehicles

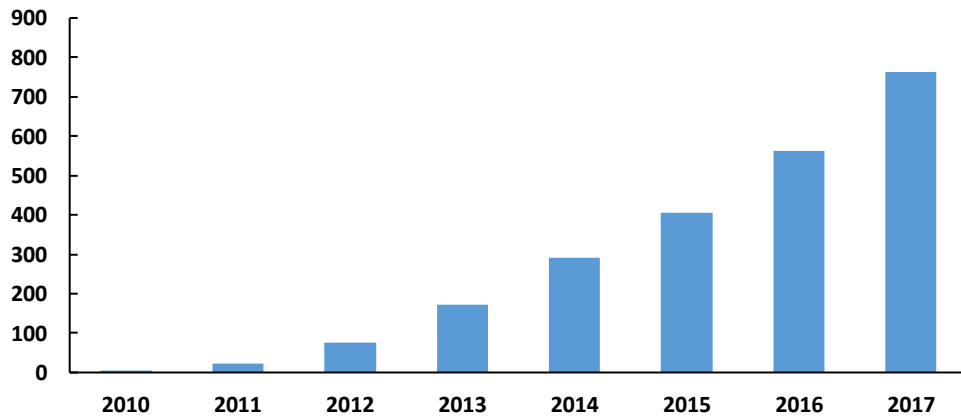
Last month, the United Nations released a report highlighting the devastating impacts of global warming. Without a drastic reduction in carbon emissions in the next 12 years, scientists predict the globe will miss its target of limiting global warming to 1.5°C and greatly increase our risk of drought, floods, extreme heat, and poverty for millions of people.¹ We need a variety of solutions to this pressing problem, including incentivizing more Americans to adopt electric vehicles.

Electric vehicles can play a crucial role in reducing our carbon emissions. Electric vehicles lead to better air quality compared to traditional gasoline cars, and the cost difference between electric and traditional vehicles is shrinking.² Electric vehicles produce about half as many emissions as gasoline cars over their lifespan—from manufacturing through operation and disposal.³ As the U.S. increasingly turns to renewable energy for electricity production, the carbon-reducing impact of electric vehicles will increase as well.⁴

The electric vehicle industry supported 86,000 jobs as of early 2016, and there are 200 times as many electric cars on the road today as in 2010.⁵ This increase is partially due to the Electric Vehicles Tax Credit, a credit worth up to \$7,500 to reduce the cost of purchasing an electric vehicle. However, the tax credit phases out after individual manufacturers sell their 200,000th vehicle, a milestone companies are already starting to approach.⁶

Democrats in Congress have introduced the Electric Cars Act, which would extend the electric vehicle tax credit for 10 years and remove the 200,000th cap on manufacturers. The bill would also extend a tax credit for charging stations, an important piece to increasing electric vehicle adoption.⁷ Congress should support this bill to increase electric vehicle adoption and reduce American carbon emissions.

Number of Electric Cars Quadruple Since 2013



Source: International Energy Agency

Note: Graph shows all-electric and plug-in hybrid electric vehicles in the United States in thousands

¹ https://www.ipcc.ch/news_and_events/pr_181008_P48_spm.shtml

² <https://www.enriquedans.com/wp-content/uploads/2017/12/Total-cost-of-ownership-and-market-share-for-hybrid-and-electric-vehicles-in-the-UK-US-and-Japan.pdf> and https://www.afdc.energy.gov/vehicles/electric_emissions.php#wheel

³ <https://www.ucsusa.org/sites/default/files/attach/2015/11/Cleaner-Cars-from-Cradle-to-Grave-exec-summary.pdf>

⁴ https://www.jec.senate.gov/public/_cache/files/d047e987-e37a-4495-b4b3-58ac5df4d48b/renewables-are-competing-and-winning-in-electricity-markets.pdf and

<https://cleantechnica.com/2018/02/06/evs-dont-run-electricity-coal-power-plants/>

⁵ <https://www.energy.gov/eere/vehicles/fact-970-march-27-2017-eleven-percent-motor-vehicles-jobs-focus-alternative-fuel-and> and

https://webstore.iea.org/download/direct/1045?filename=global_ev_outlook_2018.pdf

⁶ <https://www.cbsnews.com/news/tesla-model-3-federal-tax-credit-only-few-days-left-to-order-electric-cars-with-full-7500-tax-credit-from-u-s/>

⁷ <https://www.heinrich.senate.gov/press-releases/heinrich-introduces-legislation-to-extend-electric-vehicle-tax-credit-for-10-years>