SUPPORT HB 29 S04: ENERGY EFFICIENT VEHICLE TAX CREDIT AMENDMENTS
Sponsor: Representative Stephen Handy

WHAT THIS BILL DOES

- Extends Utah’s successful energy efficient vehicle tax credit through 2021 (expired at the end of 2016).
- Phases out the incentive for new electric vehicles between 2017 and 2022:
  - Long-range electric vehicles: $1,500 (2017, 2018); $1,000 (2019); $750 (2020); $300 (2021)
  - Short-range electric vehicles: $1,000 (2017, 2018); $750 (2019); $500 (2020); $150 (2021)
  - Electric motorcycles: $750 (2017, 2018); $550 (2019); $350 (2020); $100 (2021)
- Makes the credit assignable, allowing a vehicle purchaser to assign the tax credit to a financing entity at the point of sale.
- Requires annual review to study the impact of the tax credit.
- Limits funding from the Education Fund to $125,000 per year.

WHY THIS BILL IS NEEDED

- The tax credit has been effective, propelling Utah into the top ten states for electric vehicle adoption; allowing the credit to expire would eliminate these gains.
- Electric vehicles represent only 0.4% of Utah’s total new passenger vehicles bought between 2011 and 2016.
- Electric vehicles have a significantly higher purchase price than their gasoline counterparts, and extending this tax credit will give Utahns a valuable tool to help clean our state’s air.

AIR QUALITY BENEFITS

- This bill helps tackle Utah’s air quality problems by getting more of the cleanest vehicles onto Utah’s roads. As compared to standard gasoline vehicles:¹
  - Fully electric vehicles reduce local emissions by 60% - 99%
  - Plug-in hybrid electric vehicles reduce local emissions by 30% - 65%

ECONOMIC BENEFITS

- By 2035 the total economic benefit to Utah drivers could reach $43 million per year in reduced fuel costs.
- Improved air quality boosts economic development by retaining and attracting new businesses.
- 44% of the fuel consumed in Utah is imported from out of the state. Dollars not spent on fuel imports will grow Utah’s economy and support local job creation.

¹ The Potential for Electric Vehicles to Reduce Vehicle Emissions and Provide Economic Benefits in the Wasatch Front (Southwest Energy Efficiency Project, January 2017), http://bit.ly/2jvoBxN. Analysis accounts for up-stream emissions from power plants to power electric vehicles, and assumes and assumes that 48% of plug-in hybrid electric vehicles mileage is electricity only. Gasoline vehicle emissions are based a typical new gasoline vehicle achieving 34 mpg using Tier III fuel.
ELECTRIC VEHICLES ARE LESS THAN 1% of ALL VEHICLES SOLD IN UTAH

Number of Vehicles Sold in Utah Since 2011 (Cumulative)


AIR QUALITY BENEFITS OF ELECTRIC VEHICLES

See note 1