Republican Motion #14

PREVENT ELECTRIC VEHICLE SUBSIDIES FOR COASTAL ELITES

Offered by Representative Ashley Hinson (IA-01)

Mrs. Hinson moves that the Committee on the Budget direct its Chairman to request on behalf of the Committee that the rule providing for consideration of the bill make in order an amendment to ensure means-testing for electric vehicle (EV) subsidies to prevent taxpayer-funded benefits from going to wealthy individuals. The amendment should limit EV tax credit eligibility to individuals with an adjusted gross income of less than $100,000 and set the maximum EV value allowed for eligible purchases at $40,000.

Background

(1) The reconciliation bill nearly doubles the EV tax credit to $12,500. It also allows for wealthy indviduals to benefit by including a $400,000 adjusted gross income phaseout threshold for single filers ($600,000 for head of household; $800,000 for married filing jointly). It includes generous limitations on the manufacturer suggested retail prices of EVs ($55,000 for sedans, $64,000 for vans, $69,000 for SUVs, and $74,000 for pickup trucks).

(2) Washington Democrats' plan clearly is designed to benefit the wealthy with tax credits.

a. The Congressional Research Service has reported that 78 percent of EV credits are claimed by those making $100,000 or more per year.
b. This legislation would amount to a 560 percent increase in average annual EV credits.
c. The tax subsidy for a family making $800,000 would amount to $12,500 for their purchase of a new an EV, this includes a $4,500 tax break if the vehicle is assembled at a U.S. facility with union labor.
d. In 2017, 50 percent of EV sales were in the state of California.

(3) This amendment would rein in this taxpayer funded benefit which overwhelmingly benefits coastal elites. Similar langauge passed in the Senate with bipartisan support. Three Democrats—Senators Kyrsten Sinema (D-AZ), Mark Kelly (D-AZ), and Joe Manchin III (D-WV)—all voted in support.