



Contact: Anne Blair, 404-849-7929,
ablair@seealliance.org

Rep. Todd Jones Introduces House Bill to Reinstate a \$2,500 State Tax Credit for Electric Vehicles

HB 732 includes credits for the purchase or lease of new plug-in hybrid electric, electric, and zero emission vehicles in Georgia

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On the final day of the 2019 Georgia General Assembly, Rep Todd Jones (R - South Forsyth) introduced House Bill 732, a common sense, limited, and automatically sun-setting bill to **reinstate a modest tax credit** for the purchase or lease of new plug-in hybrid electric, electric and zero emission vehicles (ZEV).

Prior to 2015, Georgia led the nation in electric vehicle (EV) sales, spurring new businesses and increasing consumer choice. In 2014, 10,540 EVs were sold in Georgia. When the \$5,000 state tax credit was repealed through the Transportation Funding Act of 2015 and a new annual registration fee on electric vehicles of \$200 was adopted, Georgia saw an 80 percent drop in sales over the following four years.

The Benefits of an EV Tax Credit

HB 732 will benefit Georgia's auto industry, its citizens, and the state's economy. Several auto manufacturers are increasing their production of electric vehicles, and in some cases, including Mercedes-Benz, Volvo, General Motors and Volkswagen, pledging to go "all electric."

Auto manufacturer Fisker, Inc. is considering 11 states for building a manufacturing plant for its electric SUV, including Georgia. In addition, manufacturer SK Innovation is investing billions to build an EV battery plant in the City of Commerce that will employ thousands of hardworking Georgians. HB 732 will help our state to stay competitive in this shifting market.

Support from the Auto Industry

"House Bill 732 aligns with our vision for fuel diversification and fits our plan for increasing ZEV sales volumes and more electrified models in the Kia Motors fleet," said Jim Alvis, Senior Manager of Government Affairs for Kia Motors Corporation. "This is a reasonable and balanced policy approach to electrification and alternative fuels, which is the future of transportation around the world, and Kia is proud to support House Bill 732."

Encouraging Consumer Support

HB 732 also supports consumer choice as more families are considering a switch to EVs. Fueling a gas-powered vehicle can cost a family over \$50 a week. Assuming utilization consistent with the current U.S. average of 15,000 miles driven per year, the **total annual cost** to power an EV is only \$540, which is spent on “home-grown” electricity and invested back into the state, supporting our local economies in both urban and rural communities.

Over its lifetime, an EV is significantly less expensive to maintain than a gas-powered car by a factor of 10 or more. Driving electric gives Georgia families reliable and clean mobility, and the opportunity to keep more money in their own pockets.

“We know from experience that an EV is much cheaper to own over the life of the vehicle than a gas vehicle,” said Josh Cohen, Director of Policy and Utility Programs for **SemaConnect, Inc., a SEEA Member organization**. “Not only that, an EV performs better, requires less maintenance and repair, reduces emissions and improves air quality. If adopted into law, HB 732 will enable more Georgia families from all demographics and income brackets to enjoy the benefit of driving electric. SemaConnect commends Representative Jones for his leadership on this issue and fully supports this forward-looking piece of legislation.”

About House Bill 732

HB 732 reinstates a \$2,500 state tax credit for the purchase or lease of new plug-in hybrid electric, electric, and zero emission vehicles, eligible for application over five years. This incentive is limited by a \$10 million annual cap and will automatically sunset in 2023. HB 732 also includes a \$500 state tax credit for residential EV charging stations, and \$1,500 state tax credit for business commercial EV charging stations. The bill is sponsored by Representatives Todd Jones (R-South Forsyth), Kasey Carpenter (R-Dalton), Andy Welch (R-McDonough), Scott Holcomb (R-Atlanta), and Micah Gravley (R-Douglasville).