

The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington, DC 20510

Dear Majority Leader McConnell,

We, the undersigned organizations, write to object to any deal that extends, expands, or enlarges the electric vehicle tax credit.

As we have repeatedly argued, the drafters of the tax credit were clear and prudent in their crafting of the credit's introductory language, which limited the credit to each manufacturer's first 200,000 electric vehicle sales. Then-Senator Orrin Hatch, sponsor of the original legislation in 2007, stated:

"I want to emphasize that like the tax credits available under current law for hybrid electric vehicles, the tax incentives in the FREEDOM Act are temporary. They are needed in order to help get these products over the initial stage of production, when they are quite a bit more expensive than older technology vehicles, to the mass production stage, where economies of scale will drive costs down and the credits will no longer be necessary."

Now, more than a decade on, the wisdom holds. With EV sales continuing to increase year after year, no justification exists to extend, expand, or enlarge the electric vehicle tax credit. The Senate must act in favor of fiscal responsibility and common sense by simply remaining faithful to the legislation's purpose and allowing the credit to run its course.

The electric vehicle tax credit is not necessary to support the vehicle market in the United States. It is a \$9.7 billion subsidy that, for all practical purposes, serves the wealthy. A recent study found that 79 percent of electric vehicle tax credits were claimed by households with an adjusted gross income of more than \$100,000 a year.

Further, in 2018, 46 percent of credit eligibility flowed to one state, California, despite it making up just 12 percent of the national market for automobiles. This geographical inequity alone should give Senators pause as they consider who is served by the tax credit and at whose expense it comes. The fact of the matter is that wealthy coastal new car buyers and companies like Tesla are the primary beneficiaries, while the average American taxpayer is left on the hook.

What's more, most voters oppose this wealth transfer. According to polling research conducted last summer, two-thirds of voters say they do not want to help people buy electric vehicles. They also overwhelmingly oppose being forced to pay for new vehicle charging infrastructure. In general, American voters trust the market to sort out vehicle purchases. The Senate should trust in their wisdom.

Some House Democrats have put electric vehicle subsidies at the top of their ill-conceived Green New Deal, but extending, expanding, or enlarging the electric vehicle tax credit would only serve to further

enrich wealthy coastal elites and a handful of companies. It is up to you and your fellow members of the Senate to protect American taxpayers.

The electric vehicle tax credit was meant to nurture an infant industry, not provide corporate welfare in perpetuity. The electric vehicle tax credit should be eliminated, but at the very least, Senators can forcefully reject extending, expanding, or enlarging this dreadful subsidy.

Sincerely,

Thomas J. Pyle
American Energy Alliance

Mark Mathis
Clear Energy Alliance

Amy Oliver Cooke
Independence Institute

Phil Kerpen
American Commitment

Dr. Caleb Rossiter
CO2 Coalition

Andrew Langer
Institute for Liberty

Rick Manning
Americans for Limited
Government

Myron Ebell
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Institute

Becki Gray
John Locke Foundation

Grover Norquist
Americans for Tax Reform

Matthew Kandrach
Consumer Action for a
Strong Economy

Seton Motley
Less Government

Robert Alt
Buckeye Institute

Thomas Schatz
Council for Citizens Against
Government Waste

Brett Healy
MacIver Institute for Public
Policy

David T. Stevenson
Caesar Rodney Institute

Craig Richardson
E&E Legal Institute

Jason Hayes
Mackinac Center

Ryan Ellis
Center for a Free Economy

Mandy Gunasekara
Energy 45 Fund

Harry Alford
National Black Chamber of
Commerce

Andrew F. Quinlan
Center for Freedom and
Prosperity

Annette Meeks
Freedom Foundation of
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Derrick Hollie
Reaching America

Jeffrey L. Mazzella
Center for Individual
Freedom

Jason Pye
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Paul Gessing
Rio Grande Foundation

Isaac Orr
Center of the American
Experiment

George Landrith
Frontiers of Freedom

David Williams
Taxpayers Protection
Alliance

Donald Bryson
Civitas Institute

Fred Birnbaum
Idaho Freedom Foundation

Judson Phillips
Tea Party Nation

AMERICAN COMMITMENT



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for TAX REFORM



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CO2 Coalition



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