

# Discussion Draft Recommendations on EV Incentives

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*This document is intended to generate discussion among members of the Maryland Commission on Climate Change's (MCCC) Mitigation Working Group (MWG). It should not be construed as a final recommendation from the MWG, MCCC, or any other entity. For more, please see the [full report](#) or the abbreviated [powerpoint](#) where VEIC has many supporting ideas and strategies that are not fully expressed in this document.*

## Dealer Engagement

- An opt-in program for car salespeople
- \$200 incentive for participating in training, and \$200 per EV sale is awarded to the salesperson
- Create/promote an online one-stop-shop for EV information and showcases EV-friendly dealerships
- Up to \$50k for "readiness incentives" to help independent used car dealers install EV chargers
- Estimated Budget: \$19.5M with the EV readiness incentive or \$17M without, available on a first-come first-serve basis

## Fleet Electrification Technical Assistance

- \$20k maximum per fleet, scaled based on fleet size and complexity
- State educates and supports smaller fleets that have otherwise limited resources
  - An estimated 70% of fleet vehicles belong to smaller fleets (10-199 vehicles)
  - Small fleets typically stretch each vehicle to the end of its life due to cost
- State support includes help with:
  - Current fleet assessment
  - Recommending specific EVs to fit the fleet's needs as appropriate
  - Developing electrification plan with fleet manager
  - Modeling financial savings from EV transition
  - Follow-up to check on implementation status and to garner feedback
- Estimated Budget: \$2M, available on a first-come first-serve basis

## Low to Moderate Income (LMI) EV Incentive

- Incentives offered to help LMI individuals buy EVs
- Applied point of sale, not afterwards in the form of rebate or tax credit
- Scales with income level (AMI = Area Median Income). In 2023, for a 4 person household in Maryland:
  - 80% AMI is \$89,400
  - 60% AMI is \$70,500

Income level	New vehicle (EV or PHEV)	Used vehicle (EV or PHEV)
Up to 80% AMI	\$7,000	\$3,000
Up to 60% AMI	\$11,500	\$6,000

- Incentive amount is designed to reduce a qualifying individual's transportation cost to 10% of the individual's annual income
- Designed to be stacked with federal incentives
- Estimated Budget: \$625M, available on a first-come first-serve basis

## Federal + State Stacked EV Incentive

- NEW EVs: Marylanders who are eligible for the federal incentive that provides up to \$7,500 for a new EV are also eligible for a \$2,500 state incentive, bringing the total possible incentive to \$10,000
  - Income qualifications: modified adjusted gross income (AGI) may not exceed:
    - \$300,000 for married couples filing jointly
    - \$225,000 for heads of households
    - \$150,000 for all other filers
  - Price limitations: vehicle's manufacturer suggested retail price (MSRP) can't exceed:
    - \$80,000 for vans, sport utility vehicles and pickup trucks
    - \$55,000 for other vehicles
  - New EVs must also meet domestic manufacturing and other requirements of the federal incentive
- USED EVs: Marylanders who are eligible for the federal incentive that provides up to \$4,000 for a used EV are also eligible for a \$1,000 state incentive, bringing the total possible incentive to \$5,000
  - Income qualifications: modified adjusted gross income (AGI) may not exceed:
    - \$150,000 for married filing jointly or a surviving spouse
    - \$112,500 for heads of households
    - \$75,000 for all other filers
  - Price limitations:
    - \$25,000 or less
  - Used EVs must also be at least 2 years old and meet other requirements of the federal incentive

## SuperUser Bonus

- In addition to the Federal + State Stacked EV Incentive, "superusers" (the roughly 10% of drivers who use at least 1,000 gallons of fuel per year and represent around 30% of statewide motor fuel consumption) can apply for an additional state incentive: \$5,000 for a new EV and \$2,000 for a used EV
- The applicant must meet income and vehicle requirements for the federal EV incentives
- The applicant must demonstrate with a CARFAX report that they use on average at least 1,000 gallons of fuel per year based on average miles driven over their ownership of the trade-in vehicle multiplied by the fuel efficiency (miles per gallon) of the trade-in vehicle
- The trade-in internal combustion engine vehicle will be scrapped by the State
- Coltura found that superusers are more likely to live in rural areas and spend around 8% of their income on gasoline - more than twice that of average drivers - so offering a superuser incentive could accelerate emissions reductions while improving equity

## EZPass Discount

- EV owners are eligible for 50% discount on EZPass
- Discount are applicable for 4 years as an early adopter incentive
- Estimated Cost to the State: 3.3% decrease of total EZPass revenue on average over 4 years

## Car-Free Tax Rebate

- Low-income Marylanders who do not own a car are eligible for a tax rebate of \$1,000 per year
- See CA [SB-457](#)
- Income limits to be determined