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March 8, 2019

The Honorable Leslie Herod
 Chair, House Finance Committee
 200 E Colfax Avenue
 Denver, Colorado 80203

**RE: HB 1159 – MODIFY INNOVATIVE MOTOR VEHICLE INCOME TAX CREDITS
 - SUPPORT**

Dear Representative Herod:

Global Automakers, www.globalautomakers.org, is writing to inform you of **our support for HB 1159**, which modifies the amounts of and extends the number of available years of the existing income tax credits for the purchase or lease of electric vehicles.

Global Automakers represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our goal in Colorado (and elsewhere) is to foster an open and competitive automotive marketplace and to create public policy that improves motor vehicle safety, encourages technological innovation and protects our planet. Our members manufactured 48% of all new vehicles sold in the state and 65% of all green vehicles.

Our member companies have invested billions in the development of a wide variety of electric-drive vehicles—battery-electric, plug-in hybrid-electric, and hydrogen fuel cell electric vehicles—in addition to traditional hybrids. We now offer over 40 different electric-drive vehicles in a variety of makes, models and price ranges. However, consumer adoption of these vehicles is still in its infancy with less than two percent of all new vehicles sold nationally being electric vehicles. In 2018, Colorado's EV sales amounted to 2.4 percent of all new vehicle sales.

Indeed, Colorado has a more successful EV market than *all of the states that have adopted the California ZEV mandate*—like Rhode Island (1.1% EV sales in 2018), New York (1.4% ZEV sales in 2018) and New Jersey (1.5% ZEV sales in 2018). This shows that adopting a ZEV mandate does little to promote EV sales or change the market. Rather, Colorado's leadership in EV sales is due to the state's existing programs.

Electric Drive Vehicles Should Be Supported

Global Automakers' members support the long-term goal of reducing greenhouse gas emissions and are pushing innovative ways to protect the environment and lessen the nation's reliance on fossil fuels. Increasing consumer adoption of electric-drive vehicles should also be a priority of your state, because of their positive economic and environmental impact. Global Automakers supports all efforts to increase consumer incentives and charging infrastructure in the state.

The data is clear, tax credit provide a valuable point-of-sale discount to consumers interested in these vehicles. In 2015, Georgia eliminated a \$5,000 tax credit and EV sales nose-dived nearly 90 percent. We encourage the legislature to not only make the program permanent, but also allocate sufficient funds to fully fund it, ensuring that all consumers purchasing qualifying vehicles receive this important rebate.

We also support the inclusion of fuel cell electric vehicles in the program. Incentives available to plug-in electric vehicles should also be available for consumers interested fuel cell electric vehicles, which are necessary to building a robust market of electric vehicles. This includes HOV access, parking incentives, infrastructure permits and state fleet vehicle purchases.

Global Automakers looks forward to working with members of the Colorado Legislature to promote electric vehicle adoption.

Please let us know if you have any questions.

Sincerely,



Josh Fisher
Senior Manager, State Government Affairs