

1 H.471

2 Introduced by Representatives Burke of Brattleboro, Briglin of Thetford,
3 McCarthy of St. Albans City, Sullivan of Burlington, and White
4 of Hartford

5 Referred to Committee on

6 Date:

7 Subject: Taxation; sales and use tax; exemption; motor vehicles; electric
8 vehicles; plug-in hybrid electric vehicles; incentive credit

9 Statement of purpose of bill as introduced: This bill proposes to express
10 support for the January 9, 2019 recommendation from the Agency of
11 Transportation, Agency of Natural Resources, and Department of Public
12 Service related to the establishment of a per-kWh fee for electric vehicle
13 charging; exempt the first \$30,000.00 of purchase price of up to 1,500 electric
14 or plug-in hybrid electric vehicles from the sales and use tax on motor vehicles
15 in calendar year 2020; and establish a \$2,000.00 point-of-sale credit program
16 for eligible purchasers of the first 1,000 electric and plug-in hybrid electric
17 vehicles in calendar year 2020.

18 An act relating to electric and plug-in hybrid electric vehicle incentives

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 * * * Legislative Support * * *

3 Sec. 1. LEGISLATIVE SUPPORT

4 The General Assembly supports the establishment of a mechanism to ensure
5 that electric vehicle owners pay into the Transportation Fund. Consistent with
6 the joint filing of the Agency of Transportation, Agency of Natural Resources,
7 and Department of Public Service with the Public Utility Commission on
8 January 9, 2019, a funding mechanism should:

9 (a) be charged to electric and plug-in hybrid electric vehicle owners as a
10 per-kWh fee for electric vehicle charging; and

11 (b) be phased in over time as electric and plug-in hybrid electric vehicle
12 adoption increases.

13 * * * Electric Vehicle Definitions * * *

14 Sec. 2. 23 V.S.A. § 4(85) is added to read:

15 (85) “Electric vehicle” means a pleasure car that is powered by an
16 electric motor drawing current from rechargeable storage batteries or other
17 portable electrical energy storage devices where the recharge energy must be
18 drawn from a source off the vehicle, such as residential electric service.

1 Sec. 3. 23 V.S.A. § 4(86) is added to read:

2 (86) “Plug-in hybrid electric vehicle” means an electric vehicle that also
3 includes an on-board method of charging, such as an on-board engine and
4 generator.

5 * * * Electric Vehicle Purchase and Use Tax Exemption * * *

6 Sec. 4. 32 V.S.A. § 8903 is amended to read:

7 § 8903. TAX IMPOSED

8 (a)(1) There is hereby imposed upon the purchase in Vermont of a motor
9 vehicle by a resident a tax at the time of such purchase, payable as hereinafter
10 provided. ~~The~~ Except as otherwise provided in this subsection or excepted in
11 section 8911 of this title, the amount of the tax shall be six percent of the
12 taxable cost of a:

13 (A) pleasure car as defined in 23 V.S.A. § 4, and excluding electric
14 vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;

15 (B) motorcycle as defined in 23 V.S.A. § 4;

16 (C) motor home as defined in subdivision 8902(11) of this title; or

17 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
18 23 V.S.A. § 367, other than a farm truck.

19 (2) For an electric vehicle or plug-in hybrid electric vehicle as defined in
20 23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the
21 taxable cost exceeds \$30,000.00.

1 (3) For any other motor vehicle, it shall be six percent of the taxable cost
2 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
3 except that pleasure cars that are purchased, leased, or otherwise acquired for
4 use in short-term rentals shall be subject to taxation under subsection (d) of this
5 section.

6 (b)(1) ~~There~~ Except as otherwise provided in this subsection or excepted in
7 section 8911 of this title, there is hereby imposed upon the use within this State
8 a tax of six percent of the taxable cost of a:

9 (A) pleasure car as defined in 23 V.S.A. § 4, and excluding electric
10 vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;

11 (B) motorcycle as defined in 23 V.S.A. § 4;

12 (C) motor home as defined in subdivision 8902(11) of this title; or

13 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
14 23 V.S.A. § 367, other than a farm truck.

15 (2) For an electric vehicle or plug-in hybrid electric vehicle as defined in
16 23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the
17 taxable cost exceeds \$30,000.00.

18 (3) For any other motor vehicle, it shall be six percent of the taxable cost
19 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
20 by a person at the time of first registering or transferring a registration to such
21 motor vehicle payable as hereinafter provided, except no use tax shall be

1 payable hereunder if the tax imposed by subsection (a) of this section has been
2 paid, or the vehicle is a pleasure car that was purchased, leased, or otherwise
3 acquired for use in short-term rentals, in which case the vehicle shall be subject
4 to taxation under subsection (d) of this section.

5 * * *

6 Sec. 5. 32 V.S.A. § 8911 is amended to read:

7 § 8911. EXCEPTIONS

8 The tax imposed by this chapter shall not apply to:

9 * * *

10 (6) ~~[Repealed.]~~ The first \$30,000 of the taxable cost of an electric
11 vehicle or plug-in hybrid electric vehicle as defined in 23 V.S.A. § 4.

12 * * *

13 Sec. 6. 32 V.S.A. § 8900 is amended to read:

14 § 8900. STATUTORY PURPOSES

15 * * *

16 (g) The statutory purpose of the exemption of the first \$30,000.00 of the
17 taxable cost of an electric vehicle or plug-in hybrid electric vehicle in
18 subdivision 8911(6) of this title is to encourage the purchase and use of electric
19 and plug-in hybrid electric vehicles.

1 Sec. 7. EXEMPTION TRACKING AND POSTING

2 The Departments of Tax and of Motor Vehicles shall establish a way to
3 track the number of electric and plug-in hybrid electric vehicles sales and use
4 tax exemptions that have been granted in this State during calendar year 2020.
5 Starting on January 1, 2020, the Department of Motor Vehicles shall post that
6 number on the Department of Motor Vehicles' website at least every two
7 weeks.

8 * * * Electric Vehicle Credit Program * * *

9 Sec. 8. ELECTRIC VEHICLE CREDIT PROGRAM

10 (a) As used in this section:

11 (1) "Electric vehicle," "plug-in hybrid electric vehicle," and "dealer"
12 have the same meanings as in 23 V.S.A. § 4;

13 (2) "Eligible purchaser" shall be a resident of Vermont who qualifies for
14 or receives benefits administered by the Agency of Human Services, including
15 3SquaresVT, WIC, Fuel Assistance, and Reach Up.

16 (b) The Department of Public Service shall:

17 (1) design and implement the Electric Vehicle Credit Program, which
18 shall provide a \$2,000.00 point-of-sale credit to the first 1,000 eligible
19 purchasers who purchase a new or used electric vehicle or plug-in hybrid
20 electric vehicle from a dealer during calendar year 2020;

1 (2) establish a simple process to certify who is an eligible purchaser for
2 purposes of the Program;

3 (3) adopt procedures for implementing the Program;

4 (4) promote awareness of the Program, including through coordination
5 with relevant trade groups and other State agencies and departments such as
6 the Departments for Children and Families and of Motor Vehicles; and

7 (5) adopt measurable goals, performance measures, and an audit strategy
8 to assess the utilization and performance of the Program.

9 (c) On or before January 15, 2021, the Department of Public Service shall
10 submit a report to the House and Senate Committees on Transportation
11 concerning the implementation of this section and the success of the Program,
12 including total cost and participation levels.

13 * * * Repeal of Electric Vehicle Purchase and Use Tax Exemption * * *

14 Sec. 9. 32 V.S.A. § 8903 is amended to read:

15 § 8903. TAX IMPOSED

16 (a)(1) There is hereby imposed upon the purchase in Vermont of a motor
17 vehicle by a resident a tax at the time of such purchase, payable as hereinafter
18 provided. Except as otherwise provided in this subsection or excepted in
19 section 8911 of this title, the amount of the tax shall be six percent of the
20 taxable cost of a:

1 (A) pleasure car as defined in 23 V.S.A. § 4, ~~and excluding electric~~
2 ~~vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;~~

3 (B) motorcycle as defined in 23 V.S.A. § 4;

4 (C) motor home as defined in subdivision 8902(11) of this title; or

5 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
6 23 V.S.A. § 367, other than a farm truck.

7 (2) ~~For an electric vehicle or plug-in hybrid electric vehicle as defined in~~
8 ~~23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the~~
9 ~~taxable cost exceeds \$30,000.00. [Repealed.]~~

10 (3) For any other motor vehicle, it shall be six percent of the taxable cost
11 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
12 except that pleasure cars that are purchased, leased, or otherwise acquired for
13 use in short-term rentals shall be subject to taxation under subsection (d) of this
14 section.

15 (b)(1) Except as otherwise provided in this subsection or excepted in
16 section 8911 of this title, there is hereby imposed upon the use within this State
17 a tax of six percent of the taxable cost of a:

18 (A) pleasure car as defined in 23 V.S.A. § 4, ~~and excluding electric~~
19 ~~vehicles and plug-in hybrid electric vehicles as defined in 23 V.S.A. § 4;~~

20 (B) motorcycle as defined in 23 V.S.A. § 4;

21 (C) motor home as defined in subdivision 8902(11) of this title; or

1 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
2 23 V.S.A. § 367, other than a farm truck.

3 (2) ~~For an electric vehicle or plug-in hybrid electric vehicle as defined in~~
4 ~~23 V.S.A. § 4, the amount of the tax shall be six percent of the amount that the~~
5 ~~taxable cost exceeds \$30,000.00. [Repealed.]~~

6 (3) For any other motor vehicle, it shall be six percent of the taxable cost
7 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
8 by a person at the time of first registering or transferring a registration to such
9 motor vehicle payable as hereinafter provided, except no use tax shall be
10 payable hereunder if the tax imposed by subsection (a) of this section has been
11 paid, or the vehicle is a pleasure car that was purchased, leased, or otherwise
12 acquired for use in short-term rentals, in which case the vehicle shall be subject
13 to taxation under subsection (d) of this section.

14 * * *

15 Sec. 10. 32 V.S.A. § 8911 is amended to read:

16 § 8911. EXCEPTIONS

17 The tax imposed by this chapter shall not apply to:

18 * * *

19 (6) ~~The first \$30,000 of the taxable cost of an electric vehicle or plug-in~~
20 ~~hybrid electric vehicle as defined in 23 V.S.A. § 4. [Repealed.]~~

21 * * *

