



Vermont Climate Economy Action Team

2019 Transportation Agenda

At 42%, the transportation sector is the single largest contributor to Vermont's greenhouse gas emissions. It also represents nearly 50% of an average Vermont household's annual energy spending with a typical family spending \$2,500 each year to fill up the tank. CEAT envisions a future where it is easy and affordable to travel, transport, and commute in Vermont and the state leads in the adoption of electric vehicles.

For 2019, CEAT has adopted the following legislative priorities related to the adoption of EVs:

Facilitate a Shift to Electric Vehicles By Waiving the Sales Tax on the Purchase of EVs

Because electric vehicles (EVs) are inherently more efficient than internal combustion vehicles (three times so), they can save energy, reduce costs, and dramatically lower CO2 emissions. To facilitate electric vehicle affordability and accessibility for all Vermonters, Vermont should build a tax incentive to send a market signal to Vermonters, making it more affordable and attractive to purchase an electric vehicle. For at least one year, Vermont should waive the sales tax for the first \$30,000 towards the purchase price of all new and used EVs and plug-in hybrids (PHEV) sold in Vermont. Waiving the purchase and use tax would result in savings up to \$1,800 for the purchase of an EV or PHEV. This bill would fund up to \$2.7 million for these incentives in calendar year 2020. Any impact on the transportation fund and education fund as a result of lost revenue would be replaced with general funds.

Build a Program to Help Low-to-Moderate Income Vermonters Enter the EV Market

Low income Vermonters pay a much greater portion of their household budget to cover their transportation costs, and in a rural state like Vermont dependable and affordable transportation options are critical for connecting to jobs, health care and services. Because many electric vehicles have greater up-front costs and the market for used EV's is not fully mature in Vermont, low income Vermonters are often not in a position to take advantage of this emerging and highly efficient technology. Vermont should build a targeted program to provide a \$2,000 subsidy towards the purchase of a used or new fully electric or plug-in hybrid vehicle. This bill provides up to 1,000 of these incentives for calendar year 2020. The program would be administered by the Department of Public Service.

Establish a mechanism to ensure that EV owners pay their fair share into the transportation fund without increasing the up-front costs of purchasing an EV

Electric vehicles need good roads and bridges just like all other vehicles. All drivers in Vermont must pay their fair share to support the upkeep of our transportation infrastructure. Consistent with the recent filing of the Agency of Transportation, Agency of Natural Resources, and Department of Public Service, the bill indicates general support for a fee per kWh for EV charging that allows EV owners to pay to support the transportation system over time in an amount that is proportionate to their usage. This fee would be implemented over time as EV adoption increases.



Vermont Council on Rural Development

Unleashing the power of Vermonters to create a better future

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