For Immediate Release
November 21, 2019

Contact: Grace Morgan
(202-855-4380)

Watchdog Urges Lawmakers to Reject Payouts to Electric Vehicle Producers

WASHINGTON, D.C. – Today, the Taxpayers Protection Alliance (TPA) expressed concern that Congress will expand the electric vehicle (EV) tax credit as a part of tax extender legislation likely under consideration in December. Recently, House Democrats unveiled the "Green Act," which would expand the 200,000 vehicle-per-manufacturer cap for EV producers to 600,000 vehicles. The pressure to expand the program comes as key producers, such as Tesla, publicly push for greater subsidization of EV vehicles while seeing their tax credits decline. Senate Republican votes will prove critical, and extenders will likely pass unless Senate GOP members fully consider program costs.

TPA President David Williams pushed back against the proposed expansion of the EV tax credit, stating, "it's time for this failed 'green' tax credit to finally be phased out. This reckless payout scheme is Robin Hood in reverse, resulting in increased taxes on millions of working Americans to pay for the vehicles of primarily-wealthy consumers. Research shows that nearly 80 percent of these poorly-designed payouts flow to households making six figures, while most recipients would have purchased the vehicles anyway. Uncle Sam makes it way easier for wealthy, California consumers to buy Teslas, while asking the middle class to pick up the tab. That arrangement is neither fair nor sustainable."

Williams continued: "For all of that redistribution in reverse, the least taxpayers could expect is a cleaner environment. But EV payouts simply shift the toll of pollution around and exposes vulnerable workforces in developing countries to the toxic waste associated with electric battery production. Moreover, the labor conditions associated with battery production are often abysmal, and mining the minerals used to power EVs fuels civil conflict across the globe. And once EV batteries outlive their useful life, there is the pressing problem of safely recycling the product. There is a looming recycling crisis related to these batteries and improper disposal often results in drinking water contamination. Clearly, EV tax credits are anything but 'green' and 'clean.'"

Williams concluded: "At last, the EV tax credit is on its way out after years of the mass-manufacture of unprofitable vehicles – on the taxpayer's dime. Congress ought to end this crony program, instead of sneaking it into legislation targeted toward companies and individuals that clearly don't need the help. Senate Republicans in particular must step up and vote against any expansion of EV payouts."

#

Taxpayers Protection Alliance (TPA) is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.

Taxpayers Protection Alliance, 1401 K Street, NW., Suite 502, Washington, D.C. 20005
(202) 930-1716
www.protectingtaxpayers.org