

AARIAN MARSHALL   TRANSPORTATION   12.18.2019 08:00 AM

# Want a Tax Credit for Buying an Electric Vehicle? Move Fast

Congress declines to extend the EV credit program beyond January 1—meaning Tesla buyers won't be eligible for credits for the first time since 2009.



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But the companies weren't happy about the impending end of the credits. So they mounted an effort in Congress to extend them. That failed this week, when Congress agreed on a budget that did not extend the program. One proposal, from Senator Debbie Stabenow, the Democrat of Michigan, would have raised the number of EV sales eligible for the credit to 600,000 and reduced the starting credit slightly, to \$7,000. Now Tesla's out of credits, GM will be there soon, and other automakers—notably [Nissan](#) and [Ford](#), which as of this summer were 48,000 and 86,000 EV sales, respectively, [away](#) from the 200,000 target—are closing in.

Tesla did not respond to a request for comment. In a statement, **General Motors** spokesperson Jeannine Ginivan called the failure to extend the tax credit a “missed opportunity to further advance electrification in the US.”

Legislators' refusal to extend the credits doesn't spell doom for the electric vehicle market. Tesla said in a financial filing last year that the company doesn't believe the credit phaseout will affect sales “in the long run ... as we believe that each of our vehicle models offers a compelling proposition even without incentives.” Some argue that the credits worked as intended; they made electric vehicles more cost-competitive with gas-guzzling ones, at least long enough to get the nascent tech rolling out of dealer lots. And because electric vehicle purchasers have so far [been wealthier](#) than the average American driver, critics have argued that the credits are a waste of federal money. The program has been relatively popular: Between 2014 and 2018, US buyers claimed credits for 239,422 vehicles, worth \$1.4 billion, according to the US Treasury Inspector General for Tax Administration.

Still, electric vehicles have a ways to go: Just over 2 percent of American vehicles sold last year were electric. Losing the federal tax credits may make their road to the mainstream bumpier.

What's more, losing access to the federal tax credit may also imperil automakers' ability to meet state “[zero emissions vehicle](#)” targets. That program requires anyone selling cars in California and 14 other states to sell a specified number of electric vehicles, or to purchase “ZEV credits” from another manufacturer, like Tesla, that has hit its electric target. The

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[Aarian Marshall](#) writes about autonomous vehicles, transportation policy, urban planning, and everyone's favorite topic: How to destroy traffic. (You can't, really.) She's an aspiring bike commuter and New Yorker going soft on San Francisco, where she's based. Before WIRED, Marshall wrote for The Atlantic's CityLab, GOOD, and Agri-Pulse, an agriculture... [Read more](#)

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