



119 Washington Avenue, Suite 103
Albany, NY 12210
518.432.1405
info@aceny.org | www.aceny.org

**MEMORANDUM IN SUPPORT OF
S.5455 (Jackson) / A.3159 (Fahy)**

In Relation to exempting the sale of the first \$35,000 of a battery, electric, or plug-in hybrid electric vehicle from state sales and compensating use taxes, and to authorize cities and counties to elect such exemption

April 2023

The Alliance for Clean Energy New York (ACE NY) supports S.5455/A.3159 and urges its immediate passage. This bill would exempt the first \$35,000 of a lease or purchase of a new or used electric vehicle (EV) from State sales tax. Sales taxes collected from the car would be the amount greater than \$35,000, the average price for a non-luxury EV.¹ The bill would also allow local governments to extend this exemption to their portion of the sales tax. Ultimately, the purpose of this bill is to incentivize the purchase of electric vehicles.

New York State's transportation sector is the second biggest greenhouse gas emitter in the State, accounting for nearly 28 percent of the State's emissions. If New York State is to achieve its emission reduction, climate change, and clean air goals, then we must expand the deployment of zero-emission vehicles (ZEVs) to displace fossil fuel-based vehicles. The beneficial electrification of our transportation sector is an important step to fulfilling the state's ambitions in battling climate change.

The State's climate law, the Climate Leadership and Community Protection Act, has set a goal of reducing our greenhouse gas emissions by 40 percent by 2030 and 85 percent by 2050, and the 2021 law which requires all new car sales after 2035 be ZEVs. In support of this effort, the Public Service Commission created a \$700 million program to expand the electric vehicle charging infrastructure across the State.² And, New York has committed to put 850,000 ZEVs on the road by 2025 when it signed the ZEV Memorandum of Understanding³ with other Northeast states. This bill will complement those State programs by reducing the upfront costs of purchasing or leasing an electric vehicle, a key barrier to EV adoption.

Recent state actions to expand charging infrastructure across the State need to be met with actions that increase electric vehicle use and ownership. A State sales tax exemption is a small incentive for individuals to adopt new and used EVs that collectively helps all of us reduce air pollution and greenhouse gas emissions. This is not just a benefit to New York State consumers but will also be a great benefit to the State.

For the above reasons, the Alliance for Clean Energy New York supports this legislation. For more information contact Deb Peck Kelleher, Deputy Director, at (c) 518-698-3211. All of ACE NY's memos on legislation are available at <https://www.aceny.org/legislative-actions>.

¹ US News and World Report <https://cars.usnews.com/cars-trucks/advice/electric-car-prices>

² EV Make Ready Program, <https://www.governor.ny.gov/news/governor-cuomo-announces-make-ready-program-electric-vehicles>

³ State Zero-Emission Vehicle Programs MOU, <https://www.nescaum.org/documents/zev-mou-8-governors-signed-20131024.pdf/>